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In the Supreme Court of the United States

OCTOBER TERM, 1957.

No. 836.

JAMES C. HOBES, a citizen of the United States and a resident of Florida,

Petitioner,

vs.

WISCONSIN POWER & LIGHT COMPANY, a Wisconsin Corporation, and WILLIAM POWELL COMPANY, an Ohio Corporation,

Respondents.

PETITION FOR A WRIT OF CERTIORARI To the United States Court of Appeals for the Seventh Circuit.

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TABLE OF CONTENTS.

Opinions Below 2

Jurisdiction 2

Questions Presented 2

Statutes Involved 3

Statement of the Case 4

Reasons for Allowance of Writ 10

(1) The decision of the Court below is in direct conflict with the decision of the Court of Appeals for the Second Circuit in Lyon v. Bausch & Lomb, 224 F. 2d 530, in construing the new patent statute, 35 U. S. C. 103 10

(2) The decision of the Court below is in direct conflict with the decision of the Court of Appeals for the Fourth Circuit in Otto v. Koppers, 246 F. 2d 789, in construing section 282 of the statute, 35 U. S. C. 15

(3) Each of these conflicts is an important question of Federal law of urgent importance to the public which should be, but has not been, settled by this Court 18

(4) The remainder of the rulings of the Court below adverse to petitioner are in direct conflict with the statute and the applicable decisions of this Court 19

Appendix:

Opinion of the United States Court of Appeals for the Seventh Circuit 23

Judgment of the United States Court of Appeals for the Seventh Circuit 42

TABLE OF AUTHORITIES.

Cases.

Bobertz v. General Motors Corp., 228 F. 2d 94 15

Brown v. Brock, 240 F. 2d 723 13

Graver Mfg. Co. v. Linde Co., 339 U. S. 605 20

L-O-F Glass Fibres v. Watson, 228 F. 2d 40 14

Lincoln Engineering Co. v. Stewart-Warner Corp., 303 U. S. 545 20

Lyon v. Bausch & Lomb, 224 F. 2d 530 ..... 2, 10, 11, 12, 13

Otto v. Koppers Co., 246 F. 2d 789 ..... 10, 16

Palmer Co. v. Ludens, 236 F. 2d 496 13

Toledo Pressed Steel Co. v. Standard Parts, Inc., 307 U. S. 350 20

Statutes.

28 U. S. C. 1254(1) 2

35 U. S. C. 102 3

35 U. S. C. 103 ..... 2, 3, 11

35 U. S. C. 282 ..... 2, 4, 15

In the Supreme Court of the United States

OCTOBER TERM, 1957.

No. .....

JAMES C. HOBBS, a citizen of the United States and a resident of Florida,

Petitioner,

vs.

WISCONSIN POWER & LIGHT COMPANY, a Wisconsin Corporation, and WILLIAM POWELL COMPANY, an Ohio Corporation,

Respondents.

PETITION FOR A WRIT OF CERTIORARI To the United States Court of Appeals for the Seventh Circuit.

To the Honorable, the Chief Justice of the United States and the Associate Justices of the Supreme Court of the United States:

Petitioner respectfully prays that a Writ of Certiorari issue to review the Judgment of the United States Court of Appeals for the Seventh Circuit, entered on December 6, 1957, in which Petitioner was the Plaintiff-Appellant.

A certified transcript of the record in the case, including the Joint Appendix of the parties in three volumes, a book of patent copies, a book of exhibits and the proceedings in said Court of Appeals, together with nine additional copies of the Joint Appendix of the parties in three volumes, is furnished herewith in compliance with Rule 38 of the rules of this Court.

OPINIONS BELOW.

The findings and conclusions of the United States District Court for the Western District of Wisconsin are reported at 145 Fed. Supp. 64 and appear at pages 1407-1432, Vol. III of the Joint Appendix.*

The opinion of the United States Court of Appeals for the Seventh Circuit is reported at 250 F. 2d. 100, and appears as Appendix A of this Petition.

JURISDICTION.

The judgment of the Court of Appeals sought to be reviewed was dated and entered December 6, 1957.

The jurisdiction of this Court is invoked under 28 U. S. C. 1254(1) and under Section 1(b) of Rule 19 of the Court.

QUESTIONS PRESENTED.

1. Did the Court below err in ruling that the statute, 35 U. S. C. 103, made no change in the standard of invention, and in holding non-invention in the absence of any fact finding of obviousness and despite findings of objective evidences of non-obviousness, all in direct conflict with the ruling of the Court of Appeals of the Second Circuit in *Lyon v. Bausch & Lomb*, 224 F. 2d 530?

2. Did the Court of Appeals err in holding that the presumption of validity of a patent pursuant to the statute, 35 U. S. C. 282, does not exist as against evidence of prior art not cited by the Patent Office, even though such prior art is no better than the prior art which was cited by the Patent Office?

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* The volumes and pages of the Joint Appendix are referred to herein as "1, 2 or 3A. ." The pages of the Exhibit Volume are referred to as "E. V. ." The patents in the patent book are identified by numbered tabs.

3. Did the Courts below err in holding patent Re. 23,137 invalid on the ground that the new differential angle of the invention, which converted failure into success, was an unpatentable difference in degree?

4. Did the Courts below err in holding that the test of infringement is whether the details of the accused valves are identical or equivalent to the details specified in the claims and in holding non-infringement of patent Re. 23,272 even though the accused valves embody all the elements or the full equivalents of the elements of the claims?

5. Did the Courts below err in holding non-infringement of patent Re. 23,137 on the ground that plaintiff is estopped, by the Examiner's first rejection, to obtain the benefit of a broadening amendment permitted by the Examiner on reconsideration of that rejection?

STATUTES INVOLVED.

"35 U. S. C. 102. Conditions for patentability; novelty and loss of right to patent

A person shall be entitled to a patent unless * * *"

* * * * *

"35 U. S. C. 103. Conditions for patentability; non-obvious subject matter

A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made."

"35 U. S. C. 282. **Presumption of validity; defenses**

A patent shall be presumed valid. The burden of establishing invalidity of a patent shall rest on a party asserting it."

* * * * *

STATEMENT OF THE CASE.

This action is for infringement of two patents on inventions of petitioner, James C. Hobbs, relating to valves and joint seals for use in generating steam at high pressures and temperatures.

The achievements of these inventions are outstanding. They filled a need and solved a long standing problem in the steam power plant field which experts had tried and failed to solve; they made it possible to obtain a fifty per cent increase in power over that previously obtained from a given amount of fuel without any increase in cost; they eliminated the leakage of the prior valves and lessened the maintenance problem. (3 A. pp. 1410-1413; Findings 11-23.)

There is no proof and no finding that any prior valve realized or was capable of realizing these results.

Patent Re. 23,272 covers a new combination with a new mode of operation. The prior art bonnets, which carried and guided the valve stem and were removably bolted or screwed to the body to close the access opening, leaked at the joints from the pressure and temperature forces. (3 A. pp. 1408, 1409-1410; Findings 6, 11-13.)

Petitioner's invention divides both the bonnet and the forces, carries the valve stem and its actuating means by an outer member secured to the body, guides the valve stem by a floating inner member telescoped in the outer member and slidable on the stem, and seals the joint with a pressure seal between the inner and outer members.

"Fluid pressure within the valve causes the inner member to slide outwardly a slight amount and increase the compression of the packing, so as to prevent leakage at all pressures without misaligning the valve stem with the seat.

* * * * *

"* * * the reaction forces from the valve stem are transmitted to the outer member and the body so that none of these forces can act on the packing in a direction to open the joint or cause leakage." (3 A. pp. 1411-1412; Finding 20.)

Defendants' expert admitted that no single prior art item discloses the invention, and that the most pertinent prior art is in two entirely different groups, (1) valves and (2) seals. (2 A. p. 891.) The prior valves leaked and the prior seals did not guide valve stems or transmit stem forces.

These inventions have been accepted and used to the practical exclusion of all other valves for high pressure and temperature steam power plants. (1 A. 337, 2 A. 754, 3 A. 962.) Many millions of dollars worth of the patented valves have been sold and two (1 A. 183) of the six or seven makers of such valves (1 A. 339) were licensed and sold over $15,000,000 worth of the valves. (1 A. 188.)

It had long been known that steam power plants could produce more power with a given amount of fuel by operating at higher pressures and temperatures (1 A. pp. 144-147; Finding 16; 3 A. p. 1410), but the lack of valves which would remain tight under the tremendous loads was a "bottleneck" preventing the realization of such savings (1 A. p. 147; 3 A. pp. 1117-1118).

The valves of the patents in suit eliminated this bottleneck and permitted attainment of the maximum efficiency in steam power plants (3 A. pp. 994-995, 999).

Petitioner had built steam power plants which were handicapped by this same "bottleneck" (3 A. p. 1411, Finding 19). When petitioner believed he had solved the problem he built a plant to operate at 2200 pounds pressure and 950° F. temperature, conditions far more severe than in any prior plant but which, if successful, would furnish fifty per cent more power from a given amount of fuel. Such savings were ultimately realized (1 A. p. 147; 3 A. p. 994). The plant produced power worth $180,000 a year in excess of the power that could have been produced with the same amount of fuel by the most efficient plant that could have been built with the prior art valves (3 A. pp. 995, 999).

The District Court found

> "Prior to the issue of the patent in suit there had been a need for valves which would overcome the leakage and maintenance problem, * * *" (A. p. 1411, Finding 18.)

and the plaintiff

> "first encountered the leakage and maintenance problem of bolted bonnet valves in 1911." (A. p. 1411, Finding 19.)

As found by the District Court, valves for steam plant service have an access opening which

> "* * * must be closed and sealed against leakage * * * and must be capable of being readily opened * * * The closure must support and guide the valve stem, and therefore must be positively held in correct position and alignment on the valve body." (A. p. 1408, Finding 6.)

The District Court found:

> "The fluid pressure within the bolted bonnet valves exerted a pressure load on the bonnet tending to force it away from the body * * * This load acted

in a direction to stretch the bolts and force open the joint between the body and bonnet and to permit leakage * * *.

* * * * *

"Extremely high forces, created by expansion of the stem when a valve containing hot fluid was closed, acted in the direction to pull the bonnet from the body, stretch the bolts and open the joint to permit leakage, * * *

* * * * *

"Bolted bonnet valves used for high temperature, high pressure fluids also develop leaks from 'creep' or elongation of metal under load at high temperatures, * * *." (3 A. pp. 1409-1410, Findings 11, 12, 13.)

The Court of Appeals said (250 F. 2d 105; post p. 31):

"There was a finding of the existence of a problem in connection with the bolted bonnet valves and that there had been other attempts and failures to solve this problem."

In addition, as the lower Court found (Finding 14, A. p. 1410):

"The high-temperature high-pressure fluids of a steam power plant are extremely dangerous if permitted to escape, without restraint."

The District Court found that there has been wide public adoption and use of the claimed invention of patent Re. 23,272 and extensive commercial success (3 A. 1413: Finding 23).

The defendant Powell built for petitioner the first valves in which the inventions of the patents in suit were tried out. After agreeing to build these valves, defendant Powell described the Hobbs' inventions as "basic ideas"

(E. V. 272). Defendant wrote regarding these same valves:

> "We all realize that this job is a very special one which we must get because of its importance in the industry and the reputation we will acquire after the job is in operation." (E. V. 262.)

and also wrote (E. V. 274):

> "* * * we hope that when the time comes that you are ready to make a decision as to how you wish to utilize your patents that we may be given a first consideration.
>
> "To confirm the verbal agreement made by Messrs. Gnann and Noll, the William Powell Company will not sell valves the same as covered by this order to any other company without first taking the matter up with the Diamond Alkali Company."

On February 1, 1945, defendant Powell was licensed under the patents in suit, agreeing to pay royalties (E. V. 8), and on May 17, 1946, it paid Hobbs $5,000 for this license (E. V. 275), at which time it also tried to secure a new license (E. V. 275-277; 2 A. pp. 908-909). Defendant told petitioner that if it could not obtain a license it would go ahead and manufacture without one (2 A. p. 909).

Defendant Powell did just that, and pleaded that the accused valves (1 A. p. 21):

> "follow the teachings, knowledge and constructions"

of the valves embodying the inventions in issue which it had first made for petitioner.

Patent Re. 23,137 in suit covers petitioner's new pressure seal joint. It includes a soft metal packing ring having a thin lower edge and a very small differential angle of not more than two degrees between the packing ring and the inner member. The differential angle permits the thin edge of the ring to be deformed readily into sealing en-

gagement with the wall of the body and the smallness of the angle causes the bearing area to increase in width rapidly to support increased loads without squirting the metal of the thin edge into the gap between the members so as to prevent disassembly. It is readily sealed, prevents leakage and may be readily re-opened and reclosed.

The invention of patent Re. 23,137 has been used in the commercial valves made by petitioner's licensees (2 A. pp. 547-548) and has been copied by the defendant. (1 A. pp. 18-19, 2 A. p. 548.)

The prior art consists of two prior efforts and failures to solve the metallic packing problem, each having an entirely different mode of operation than patent Re. 23,137.

The Bredtschneider patent 2,029,606 (P. B. tab 15) disclosed a hard metal ring engaging the inner member at its thickest part and never deforming or coining. The specification states (p. 1, col. 2, lines 21-28):

> "The new ring * * * is stressed only within its elastic limit. It is not squeezed together at all; that is, there is substantially no flow of metal so that provision can be made for ample clearance between the locking cover of the wall of the vessel and the holding ring."

The Bridgman disclosure (E. V. 87) shows a metal ring cut at an excessively large differential angle. This device could not be re-opened because the metal squirted into cracks around the closure (2 A. pp. 925-927).

Neither Bredtschneider nor Bridgman ever achieved commercial use (2 A. pp. 895, 926).

The Bredtschneider patent itself condemned the Bridgman disclosure as being useless because it could not be re-opened. The Bredtschneider patent said (p. 1, col. 1, lines 7 to 21):

> "In general, means for utilizing the inner pressure of a pressure vessel for the sealing purpose are in

themselves universally known. Most of the means heretofore employed for the purpose, however, are objectionable for the reason that it is very difficult to open the closed vessel, that is to remove the cover therefrom, because the packing material employed for the sealing purpose is forced by the cover into the gap between the wall of the vessel and the abutment members fixed therein, in the manner of a stuffing-box so as to form an obstacle which does not give up the expansion power stored up therein, even not after the inner pressure has been removed, and renders it very difficult to remove the cover."

REASONS FOR ALLOWANCE OF WRIT.

(1) The decision of the Court below is in direct conflict with the decision of the Court of Appeals for the Second Circuit in Lyon v. Bausch & Lomb, 224 F. 2d 530, in construing the new patent statute, 35 U. S. C. 103.

(2) The decision of the Court below is in direct conflict with the decision of the Court of Appeals for the Fourth Circuit in Otto v. Koppers, 246 F. 2d 789, in construing section 282 of the statute, 35 U. S. C.

(3) Each of these conflicts is an important question of Federal law of urgent importance to the public which should be, but has not been, settled by this Court.

(4) The remainder of the rulings of the Court below adverse to petitioner are in direct conflict with the statute and the applicable decisions of this Court.

(1) The Conflict with the Court of Appeals for the Second Circuit: In the instant case the Court of Appeals held (250 F. 2d 105; post p. 31):

"Appellant stresses evidence of a long felt want, license acceptance and commercial success of the patent, as well as prior attempts and failures to achieve solution

of the bolted bonnet problem. 'Copying' and acceptance of the patent by the defendant, Powell Company, and skepticism as to the worth of the valve prior to its successful use are also emphasized. There was a finding of the existence of a problem in connection with the bolted bonnet valves and that there had been other attempts and failures to solve this problem."

The Court of Appeals properly rejected the District Court's fact findings of obviousness at a date later than "the time the invention was made." Nevertheless, the Court of Appeals held that objective evidence that the invention had not been obvious must be ignored when it now appears, in retrospect, that the new whole may be analyzed into old parts.

The Court below said (250 F. 2d 105; post p. 32):

"It should finally be noted that objective considerations cannot lend validity to a patent where as here invention is plainly lacking. See Great A. & P. Tea Co. v. Supermarket Equipment Corp., supra; Goldman v. Bobins, 7 Cir., 1957, 245 F. 2d 840, 844."

On the other hand, the Court of Appeals for the Second Circuit held that conclusions based on apparent simplicity are subordinated by the statute, 35 U. S. C. 103, to objective evidence that the invention had, in fact, been unobvious to the workers in the art. It said in *Lyon v. Bausch & Lomb*, 224 F. 2d 530, 535:

"The most competent workers in the field had for at least ten years been seeking a hardy, tenacious coating to prevent reflection; there had been a number of attempts, none satisfactory, meanwhile nothing in the implementary arts had been lacking to put the advance into operation; when it appeared, it supplanted the existing practice and occupied substantially the whole field. **We do not see how any combination of evidence could more completely demonstrate that,**

> simple as it was, the change had not been 'obvious * * * to a person having ordinary skill in the art'—§ 103." (Emphasis ours.)

The two Courts stated their conflicting interpretations of the statute. In the instant case the Court of Appeals said (250 F. 2d 104, post p. 29):

> "* * * this statute sets forth essentially the same test which had been applied in this circuit for a number of years."

In *Lyon v. Bausch & Lomb*, 224 F. 2d 530, 535, the Court of Appeals for the Second Circuit said, pages 534, 535, 537:

> "Therefore we at length come to the question whether Lyon's contribution, his added step, was enough to support a patent. It certainly would have done so twenty or thirty years ago; indeed it conforms to the accepted standards of that time."
>
> * * * * *
>
> "On the other hand it must be owned that, had the case come up for decision within twenty, or perhaps, twenty-five years before the Act of 1952 went into effect on January 1, 1953, it is almost certain that the claims would have been held invalid."
>
> * * * * *
>
> "* * * we hold that the patent should be regarded as valid ab initio for all purposes."

Thus the Court of Appeals for the Seventh Circuit in the instant case and the Court of Appeals for the Second Circuit in *Lyon v. Bausch & Lomb* are in direct and irreconcilable conflict as to the effect of the new Patent Act in each of two particulars.

First, the Court below has held that all objective evidence of non-obviousness of the invention must be ignored when it now seems a simple matter to have assembled the

whole invention from old parts; whereas, the Second Circuit has held that objective evidence that the invention was in fact unobvious before it was made establishes patentability under the statute regardless of the simplicity of the change.

Second, the Court below has specifically held that the new statute does not change its standard of invention as applied in recent years; whereas, the Second Circuit has held that the statute lowers the "high standard" of recent years and restores the old standard of invention.

The conflict in interpretation of Section 103 is general throughout the Circuits.

The Court of Appeals for the Third Circuit, all seven Judges of that Court participating, in *Palmer Co. v. Ludens*, 236 F. 2d 496, agreed with the decision of the Second Circuit in *Lyon v. Bausch & Lomb*, saying (p 500:

> "We are inclined to accept the sensitive observations of Judge Learned Hand as to the judicial tendency of recent years, even within the language of the older decisions, to expect an indefinite 'more' of the proffered invention. The Act re-affirms the presumptive validity of patents (35 U. S. C., 1952 ed., Section 282), and specifies patentability in terms with which all in the field are familiar."

The Court of Appeals for the Fourth Circuit has likewise endorsed and followed the view of the Second Circuit, particularly on the dominance, under the statute, of objective evidence over hindsight. That Court said in *Brown v. Brock*, 240 F. 2d 723, 727, 728:

> "Section 103 of the new Patent Act of 1952, 35 U. S. C. A. § 103, in effect holds that a patent shall not be held invalid unless the differences between the subject matter patented and the prior art are such that the subject matter as a whole would have been

obvious, at the time the invention was made, to a person having ordinary skill in the art to which the subject matter pertains.

"The record here shows a longfelt and unsatisfied want for an acceptable weeping doll. As we have seen, a number of devices were attempted, but none served the purpose. If any solution to the problem had been obvious, it would not have been overlooked in the industry for want of desire or effort. Notwithstanding the persistent search of the doll industry, the solution achieved by Senior did not seem obvious to anyone else until he conceived and embodied it in the patent in suit. The contention of obviousness is more readily conceived *after* the event than is the solution while the problem remains unsolved. In respect to patents, as in other concerns of life, human experience teaches that 'obviousness' is often much clearer after the event than before; solutions which have remained persistently elusive leap distinctly into view after someone else has pointed them out.

"An infringer's contention that the solution was obvious is not infrequently stimulated by the commercial success of his competitor's patented product.

* * * * *

"The patent involved here certainly meets the standard of invention by the accepted tests, as recently explained in Lyon v. Bausch & Lomb Optical Co., 2 Cir., 224 F. 2d 530." (Emphasis by the Court.)

The Court of Appeals for the District of Columbia has also endorsed the view of the Second Circuit. It said in *L-O-F Glass Fibres v. Watson*, 228 F. 2d 40, 47 (Footnote 14):

"We may safely assume that the Patent Act of 1952, 35 U. S. C. A. § 103, was intended to restore 'the law to what it was when the Court announced the definition of invention.' See discussion by Judge Learned Hand in Lyon v. Bausch & Lomb Optical Co., 2 Cir.,

1955, 224 F. 2d 530, 535-536, certiorari denied 76 S. Ct. 193; cf. General Motors Corp. v. Estate Stove Co., 6 Cir., 1953, 203 F. 2d 912, certiorari denied, 1953, 346 U. S. 822, 74 S. Ct. 37, 98 L. Ed. 348."

The Court of Appeals for the Sixth Circuit, on the other hand, has agreed with the Court below that the new statute does not lower the new "high standard" of invention and restore the old standard. In *Bobertz v. General Motors Corp.*, 228 F. 2d 94, that Court said, pages 98, 99:

> "It seems almost idle to reiterate that quite a high standard of invention is now exacted to sustain combination claims embracing old elements in a patent.
>
> * * * * *
>
> "We are, however, of the view that the principle stated in the Great Atlantic & Pacific Tea Co. case is not modified by the new Act, but continues to be the law, and is here controlling."

(2) The Conflict with the Court of Appeals for the Fourth Circuit: The Court below held that the presumption of validity of patent Re. 23,272 as provided by the statute (35 U. S. C. 282) is destroyed by the citation of prior art not cited by the Patent Office Examiner, even though the new prior art is no better than that which was cited by the Patent Office. The Court below said (250 F. 2d 105, post pp. 30-31):

> "Appellant next contends that the presumption of validity of patent Re. 23,272 is heightened by the fact that the evidence of prior art relied on by appellees and the trial court is no better than that before the examiners of the Patent Office and by the fact that these examiners are skilled in the matter of deciding what is or is not obvious, reaching their decision at the critical time. It has been held that the presumption of validity of a patent does not exist as against evidence of prior art not before the Patent Office,

Royal Patent Corp. v. Monarch Tool & Mfg. Co., 6 Cir., 1953, 203 F. 2d 299, and there is every indication, contrary to appellant's statement, that the prior art was not before the Patent Office at the time it passed on the patent here in issue."

In *Otto v. Koppers Co.*, 246 F. 2d 789, the Court of Appeals for the Fourth Circuit held precisely to the contrary, stating (pages 800, 801):

"Much of the argument in this Court involves the presumption of validity which automatically attaches upon the issuance of a patent. 35 U. S. C. A. § 282; Diamond Rubber Co. of New York v. Consolidated Rubber Tire Co., 220 U. S. 428, 31 S. Ct. 444, 55 L. Ed. 527; Baker-Cammack Hosiery Mills v. Davis Co., 4 Cir., 181 F. 2d 550, a presumption which is strengthened when, as here, there were extensive administrative proceedings concerned with the prior art, Reynolds v. Whitin Machine Works, 4 Cir., 167 F. 2d 78.

* * * * *

"Astute and enterprising attorneys can always find references not of record in the Patent Office, but if they do not involve some substantial element in the defense of anticipation which was not considered by the Patent Office, the failure to make them record references cannot weaken the statutory presumption." (Emphasis ours.)

In the instant case defendant's expert admitted that no single prior art item disclosed the invention of patent Re. 23,272 (2 A. 891). He selected as the best prior art a conventional bolted bonnet valve and any one of three disclosures of pressure sealing joints. One of these three was the U. S. Bredtschneider patent 2,029,606 and another was the Universal Oil Autoclave (pressure vessel) which

included the joint of the Bredtschneider patent (2 A. 892).

The same prior art, the conventional bolted bonnet valve and the Bredtschneider U. S. patent 2,029,606, were cited by the Patent Office which, by its allowance of the claims in suit, ruled that it was not obvious to combine these prior art devices to produce petitioner's invention (2 A. 916, 922).

The only other prior art relied on by the Court below was an advertisement of this same Bredtschneider patent (Ex. 40, E. V. p. 21), 13 foreign counterparts of this same Bredtschneider patent, and the same Universal Oil Autoclave embodying a Bredtschneider joint (erroneously referred to by the Court below as "a valve").

The advertisement, Ex. 40, is stressed because, as the Court below said, it referred to the joint of the Bredtschneider patent and "stated it was available for use in pressure vessels such as valves" (250 F. 2d 103, post p. 28).

But, as the District Court found, the Bredtschneider patent itself disclosed to the art a pressure sealing joint "available for pressure vessels, one type of which is a valve." (Finding 29, 3 A. 1414.)

Thus, the advertisement, Ex. 40, disclosed nothing that the Bredtschneider patent had not disclosed, and nothing that had not been fully considered by the experts in the art in the Patent Office. But by the simple stratagem of citing another publication of the same disclosure the Examiner had cited, the statutory presumption of validity is destroyed under the ruling of the Court below.

(3) The Importance of the Questions Presented: Each of these questions (1) and (2) in which the Court below differed with other Circuits is of pressing importance today because of the decline in invention and scientific progress in this country.

From 1880 to about 1930 the number of patents granted each year remained substantially constant at about 40 patents for each 100,000 of the population. Beginning in about 1930 the number dropped sharply. Efforts to encourage inventors led to the inclusion of Sections 103 and 282 in the Patent Act of 1952, but those efforts will fail if the statutes are construed as they have been by the Court below. That such a decline would be the inevitable result of hostility to patents had been prophesied long before the launching of the Russian "sputniks" focused public attention on the situation.

In an editorial that appeared in the "Saturday Evening Post" for May 25, 1957 (Vol. 229, No. 47, page 10) it was said by Mr. Richard Spencer, a former First Assistant Commissioner of Patents:

> "What's the reason for the most powerful nation on earth lagging in technical and industrial development? A major part of the answer can be found in what's been happening to our patent system. Since around 1930, it has taken a beating that few people of this country know about.
>
> * * * * *
>
> "Around 1930, an antipatent movement got under way in this country."
>
> * * * * *
>
> "As a result of the beating which our patent system has been getting, invention has been drying up. There are changes and improvements in existing products, but few basically new items are on the market. We lag in the production of new machines

and processes, for peacetime uses and for national defense.

* * * * * /

"A new viewpoint more favorable to patents should be adopted by some of our judges. It must be made clear that we shall be unable to retain technological leadership in any field without a strong patent system. In these days of political uncertainties we must remain a strong nation; no matter what turn our political destiny takes, we must round the corner as a going concern fit for the problems that lie ahead.

"Whether the inventor is working for himself, in a basement workshop or in a plant, full time or part time, whether employed by a corporation as big as General Motors or DuPont, let him understand that from now on, when he comes up with an invention and secures a patent, he can obtain all the historic rights contemplated by the Constitution and the patent laws. If we do that, we shall enter the greatest age of progress mankind has known. And no totalitarian regime will outstrip America in anything."

A graphic picture of what has been happening to invention is shown by Figures 1 and 2 of the chart at the end of this petition. Figure 1 shows the total numbers of applications filed in the U. S. Patent Office and the total number of patents granted in the years from 1880 to 1957. Figure 2 shows the number of applications and the number of patents per capita. There was a rise in the curves coincident with the agitation for, and the passing of the Patent Act of 1952, but that rise has again turned into a decline.

(4) The Other Rulings by the Court Below: The decisions of this Court relied on by the Court below on "aggregation" and "old combination" are not applicable to inventions in which the elements of the combination

co-act to produce a new result (*Toledo Pressed Steel Co. v. Standard Parts, Inc.*, 307 U. S. 350, 356; *Lincoln Engineering Co. v. Stewart-Warner Corp.*, 303 U. S. 545, 552).

In the instant case the District Court found as a fact that the invention of patent Re. 23,272 obtains such new results in that it acts

> "so as to prevent leakage at all pressures without mis-aligning the valve stem with the seat"

and so transmit the stem reaction forces:

> "that none of these forces can act on the packing in a direction to open the joint or cause leakage." (3 A. pp. 1411-1412; Finding 20.)

These new results are produced by the relative arrangement claimed of both valve parts and joint sealing parts. The telescoped valve stem guide both transmits the pressure to the gasket to seal and prevents mis-alignment of the valve stem.

In holding non-infringement, the Court below said (250 F. 2d 109, post p. 40):

> "The test is whether the details of the accused valves are identical or *equivalent* to the details specified in the claims of the patent." (Emphasis by the Court.)

But this Court held in *Graver Mfg. Co. v. Linde Co.*, 339 U. S. 605, 607:

> "But courts have also recognized that to permit imitation of a patented invention which does not copy every literal detail would be to convert the protection of the patent grant into a hollow and useless thing."

The District Court found the accused structures lacked certain details of the claims, but made no finding either of equivalency or non-equivalency, despite undisputed proof of equivalency (2 A. pp. 518, 520, 525, 530-

532, 540, 544-545) and defendants' pleaded admission of equivalency (1 A. p. 21).

Respectfully submitted,

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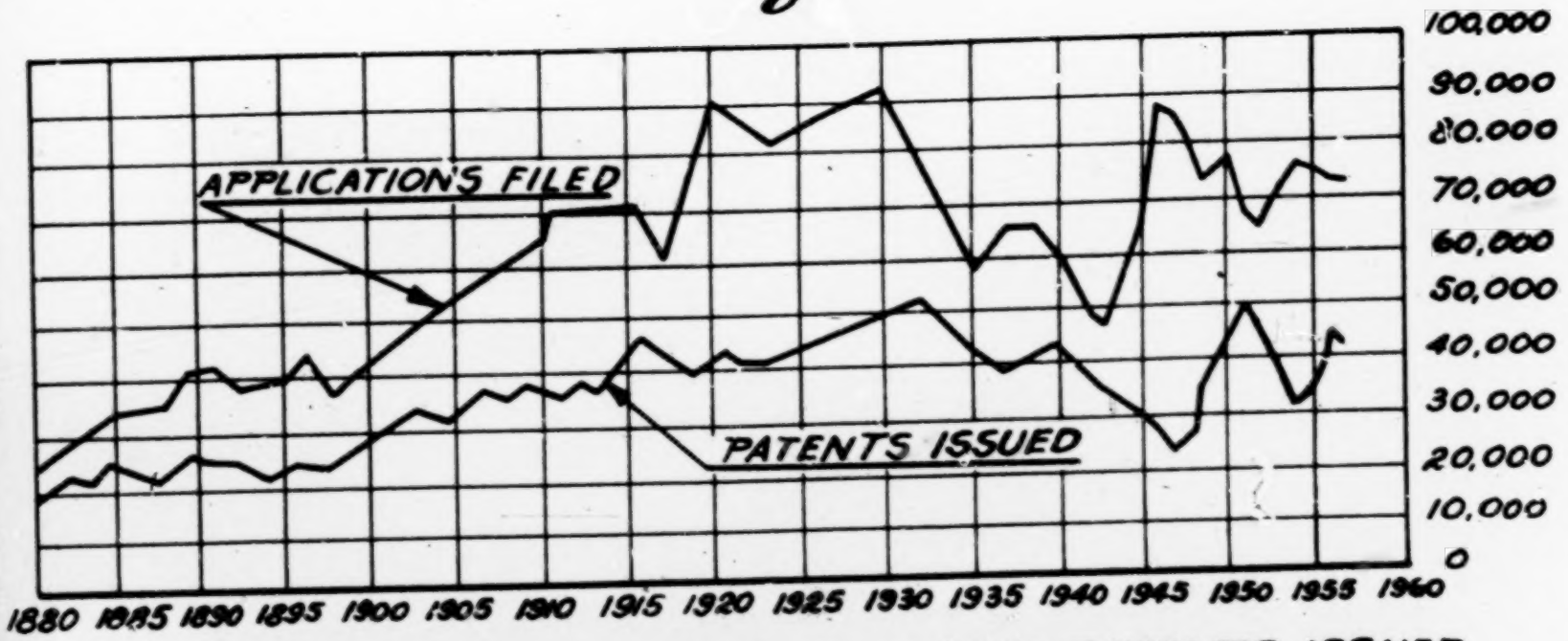
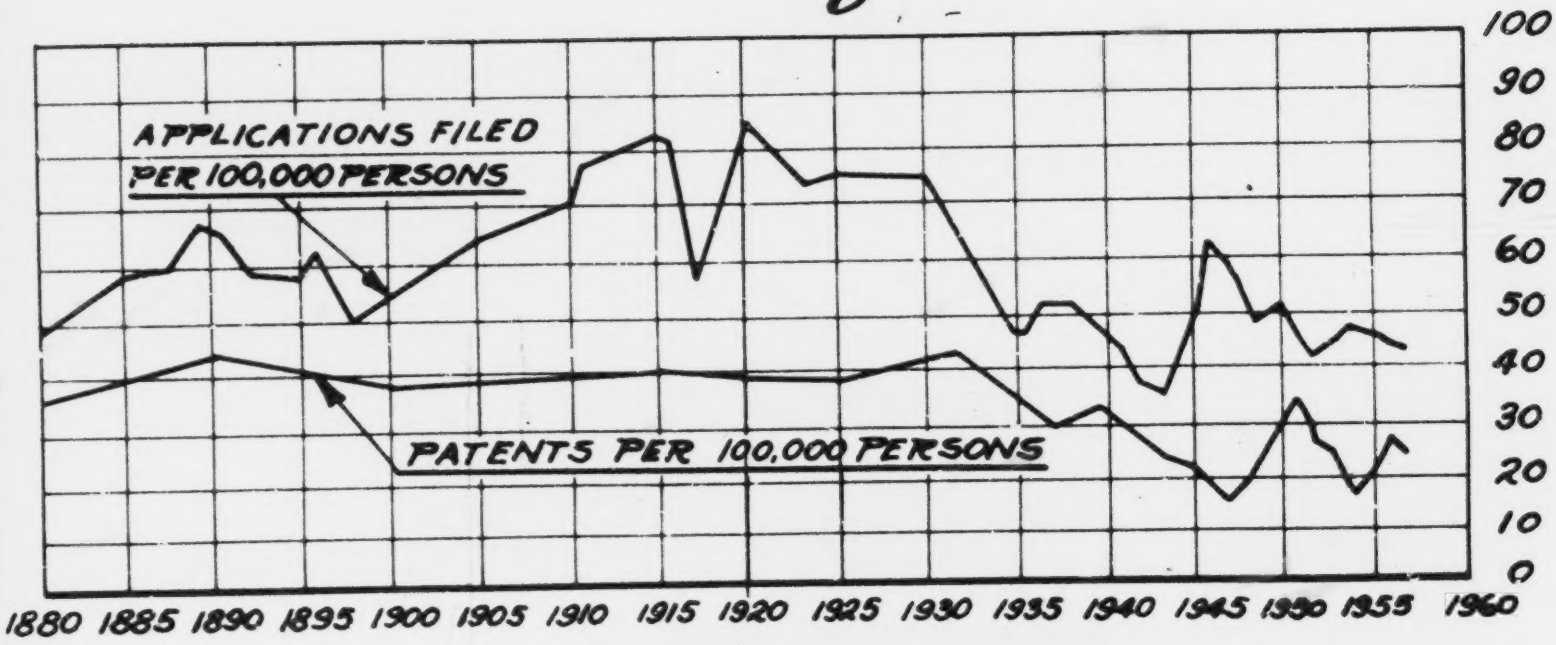
Fig. 1



PATENT APPLICATIONS FILED AND PATENTS ISSUED

1880 TO 1957

Fig. 2



INVENTION INDEX
1880 TO 1957

APPENDIX A.

OPINION OF THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT.

(Filed December 6, 1957.)

Before FINNEGAN, HASTINGS and PARKINSON, *Circuit Judges.*

HASTINGS, *Circuit Judge.* This action was brought to enjoin and to seek an accounting for damages resulting from alleged infringement of two patents on inventions relating to valves and joint seals for large flows of high temperature, high pressure fluids. Appellant, James C. Hobbs, maintains that William Powell Company, by manufacturing and selling certain valves and joint seals, and the Wisconsin Power and Light Company, by buying and using these same accused structures, have infringed the patents in suit. The district court held that claims 1 through 10, 12 through 15, 17, 19, 20, 22 and 23 of patent Re. 23,272 and claims 1, 5, 6 and 7 of patent Re. 23,137, presented for adjudication at the trial, were invalid, and ruled further that there was no infringement by appellees as to "any valid claim of any letters patent of the United States owned by the plaintiff." The district court's findings of fact, conclusions of law and judgment are printed at 145 F. Supp. 64 (1957). Error relied upon in this appeal arises from alleged erroneous applications of the law to the facts by the trial court.

The district court indicated in its findings that prior to 1938 there had been a long standing valve problem of preventing the body-bonnet joints of steam plant bolted bonnet valves from being pried open due to pressure and temperature forces. The bolted bonnet valves include a cover or bonnet, removably bolted to a flange around the access opening in the body (pipe) by a circle of bolts.

A ring of compressible material such as asbestos or soft metal is used to seal the crevice between the bolted flanges of the bonnet and the body. The joints are sealed initially by tightening the bolts, but the joints tend to leak from the loads created by temperature changes and the pressure of confined liquid. Patent Re. 23,272 sought to eliminate this leakage and maintenance problem. Appellant maintains that a new result was achieved by a new combination and arrangement of parts and that, briefly, this result was "accomplished by a floating guide slidably telescoped in the body" to align the valve stem with the valve seat in the body (instead of the fixed guide of the prior art), a pressure sealing joint between the floating guide and the cylindrical wall of the body, and a yoke connected to transmit forces from the valve stem to the body so that none of the forces could act to open the joint.

Patent Re. 23,137 relates to alleged new seals for the ends of pipes carrying fluids under high pressures. It is appellant's contention that there is nothing in the prior art showing the claimed pressure seal joint with a wedge-shaped sealing ring contacting at its thin end a conical surface of an inner member and a substantially cylindrical wall of the body, the sealing ring being inclined at a small angle of "approximately 2°" to the conical surface of the inner member.

Patent Re. 23,272 was granted September 26, 1950 on application filed April 29, 1950 for the reissue of patent number 2,321,597, dated June 15, 1943 which was granted on application filed February 23, 1940. Patent Re. 23,137 was granted July 26, 1949 on application filed May 26, 1949 for the reissue of patent number 2,443,187 dated June 15, 1948 which was granted on application dated August 15, 1944. Both reissue patents are the property of the appellant, James C. Hobbs, who, after studying and

teaching mechanical engineering at the Carnegie Institute of Technology, started working, in 1911, in the operation and design of steam power equipment. While working with the Diamond Alkali Company at Painesville, Ohio, he designed and built in 1928 and in 1933 to 1934, two steam power plants to generate steam at higher temperatures and pressures than used previously by that company. It is appellant's contention that prior to June of 1937, he and his assistants at Diamond Alkali had completed a series of drawings disclosing the invention of patent Re. 23,272 and that a final drawing, submitted in evidence as exhibit 52, was made up from this series. The court found that this drawing was sent to leading valve manufacturers along with requests for bids for necessary valves for a proposed new high pressure plant. It is admitted that Powell Company did submit to appellant's company several drawings of proposed steam and water valves of various types, incorporating much designing effort and skill on the part of Powell Company personnel, and that subsequently, Powell Company manufactured and sold the pressure seal valves to Diamond Alkali. The district court found also that these valves "embodied a pressure seal joint having a differential angle between the metallic ring, the bonnet and the body and which responded fully to Claims 1, 5, 6 and 7 of patent Re. 23,137 * * *." These pressure seal valves went into operation June 3, 1939, were used successfully in the Diamond Alkali plant and achieved widespread acceptance and extensive commercial success.

The district court concluded that patent Re. 23,272 was invalid because the patentee was not the original and first inventor, because the alleged invention amounted to an exhausted combination or an aggregation of old elements, because of anticipation and want of invention, and,

finally, because the patent specification did not contain, "a written description of the alleged invention, and of the manner and process of making and using it, in such full, clear, concise and exact terms as to enable any person skilled in the art to which it pertains, to make and use the same and does not set forth the best mode of carrying out the alleged invention." Patent Re. 23,137 was determined invalid for anticipation and want of invention and also because the subject matter of the patent was in public use or on sale more than one year before the patent application was filed by the patentee.

Appellant maintains that the trial court erred as to all of these conclusions, and that each involves an erroneous application of the law to the facts. A regularly issued patent is presumed valid until the presumption has been overcome by convincing evidence of error. *Mumm v. Decker*, 301 U. S. 168 (1937); *Radio Corp. v. Radio Laboratories*, 293 U. S. 1 (1934). The question of whether or not a trial court has employed the correct criteria of invention in determining the validity of a patent is one of law subject to review on appeal. *Great A. & P. Tea Co. v. Supermarket Equipment Corp.*, 340 U. S. 147 (1950); *Noble Co. v. Johnson Co.*, 7 Cir., 241 F. 2d 469, 475 (1957). Also, this court, under Rule 52(a) of the Federal Rules of Civil Procedure, 28 U. S. C. A. must make due allowance for the advantages possessed by the trial court in resolving any conflicting testimony, reversing only clearly erroneous findings of fact. *Weller Manufacturing Co. v. Wen Products, Inc.*, 7 Cir., 231 F. 2d 795, 797 (1956); *Noble Co. v. Johnson Co., supra*. After a careful consideration, in line with these holdings, this court concludes that the contentions of appellant are, on the whole, without merit.

Closely related questions arise in the determination of whether the patentee, Hobbs, was the inventor of the subject matter of the patent (see 35 U. S. C. A. Section 102(f)) and the determination of whether there was anticipation by, and lack of invention over, the prior art as to this purported invention. (see 35 U. S. C. A. Sections 102(e), and 103.) Appellant urges that he conceived the principle of invention, embodied it in a drawing (exhibit 52) and disclosed that drawing to Powell Company. Appellant then contends that the trial court was misled by evidence that Powell Company had contributed a certain amount of engineering and designing skill in the construction of the pressure seal valves into the conclusion that the patentee was not the sole first and original inventor. It is fundamental that an inventor is one who discovers the new principle of an invention and that he is not deprived of the right to patent by the fact that others performed the engineering and mechanical work. *United Shirt & Collar Co. v. Beattie,* 2 Cir., 149 Fed. 736, 741-742 (1906), cert. den. 205 U. S. 547; Walker, *Patents,* Deller's Edition 399. Appellant, in thus presenting this issue, puts Powell Company in the position of a defendant claiming to be a joint inventor. This is not the case. Appellee, Powell Company, asserted in its answer that the disclosures in patent Re. 23,272 did not originate with appellant but were abstracted or copied from information and data that he obtained from Powell Company and other persons who negotiated with him in good faith. This is not a claim of joint invention but rather that the invention was not made by appellant.

Appellees contend that Hobbs was shown not to be the inventor of what patent Re. 23,272 discloses because the idea or principle of invention, that is, a high pressure

valve with a pressure seal joint, was disclosed to him in March of 1937 by an advertisement for the Bredtschneider United States patent number 2,029,686. That advertisement described the patent of a high pressure seal and stated it was available for use in pressure vessels such as valves. The findings of fact further show, appellees point out, that appellant actually consulted with the American representative of the holder of the Bredtschneider patent and foreign counterparts and that, subsequently, appellant negotiated and consulted with Powell Company on the design and construction of the pressure seal valves which are the subject matter of patent Re. 23,272. Finding 29 of the trial court indicated that "[a]s early as 1929 with the issuance of the British counterpart (Ex. 108) of the Bredtschneider United States Patent 2,029,686, the art knew that a high pressure joint corresponding in detail to that of Hobbs' alleged conception drawing * * * was available for pressure vessels, one type of which is a valve." Further findings indicate that the Bredtschneider patent and thirteen foreign counterparts were owned, in part, by Friedrich Uhde who, subsequent to 1932, after building and testing several pressure vessels incorporating the Bredtschneider joint, manufactured and shipped several devices from his plant in Germany to European countries and to Japan and Manchuria, and that a valve manufactured by Uhde's plant in Germany was shipped to Universal Oil Products Company at Riverside, Illinois and used there successfully from February 15, 1935 to March 15, 1935 for pressures up to 1900 pounds per square inch and to temperatures up to 806 F. On these findings, based on substantial evidence, the court could correctly conclude that appellant conceived no new principle of invention.

From these findings and the findings as to the general state of the prior art of valve manufacture, the court below could also conclude that there was anticipation and lack of invention. Patent law provides that there is lack of invention if "the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains." 35 U. S. C. A. Section 103. This court in the recent case of *Helms Products, Inc. v. Lake Shore Mfg. Co.*, 7 Cir., 227 F. 2d 677, 682 (1955) stated that this statute sets forth essentially the same test which had been applied in this circuit for a number of years, and which found expression in *Foster v. T. L. Smith Co.*, 7 Cir., 244 Fed. 946, 952 (1917) as follows: "If the idea of the patent in suit so obtruded itself from the prior art that the ordinary mechanic could not help from stumbling upon it, then of course no invention was involved." The district court's holding in the instant case is in accord. A reference to what was known in the prior art indicates what would have been obvious "at the time the invention was made." Valve construction prior to 1938 included all the elements found in appellant's valve. The various types of joints, including flanged, welded, screwed, and union bonnet joints were known. The pressure seal was similarly known to the art and the man skilled in the art, could have, as his needs dictated, shifted from one type of joint to another. Appellant's expert admitted this as to all of the types of joints but the pressure seal. Appellant was bound to know the teachings of the art and by merely adapting the teaching as a skilled mechanic would do, he did not achieve patentable invention. *Borkland v. Pedersen*, 7 Cir., 244

F. 2d 501, 502 (1957); *Smith v. Dravo Corp.*, 7 Cir., 203 F. 2d 369, 380-381 (1953).

Appellant specifically attacks the court's finding that the disclosure of patent Re. 23,272 was "known to the art more than two years prior to February 23, 1940." (the date of application for the patent). It is his contention that the finding, if accurate, lends no support to the conclusion of invalidity since his disclosure was made in the Fall of 1937 when he sent the drawing to various manufacturers. Appellant points out that the court limited its finding to two years prior to the date of the application because of a confusion between the applicable section of the code dealing with obviousness and non-invention (35 U. S. C. A. Section 103) and the section of the code dealing with other conditions for patentability (35 U. S. C. A. Section 102).[1] The contention of appellant that the finding of the trial court is indicative only of "obviousness" after the "disclosure" by him in the Fall of 1937, even leaving aside the question of the worth of his disclosure, still does not prevail against the more basic findings that there was prior art pointing to this claimed invention and making it obvous to the mechanic skilled in the art.

Appellant next contends that the presumption of validity of patent Re. 23,272 is heightened by the fact that the evidence of prior art relied on by appellees and the trial court is no better than that before the examiners of the Patent Office and by the fact that these examiners are skilled in the matter of deciding what is or is not obvious, reaching their decision at the critical time. It has been held that the presumption of validity of a patent does not exist as against evidence of prior art not before

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[1] A similar confusion is apparent in the district court's finding 50 dealing with patent Re. 23,137.

the Patent Office, *Royal Patent Corp. v. Monarch Tool & Mfg. Co.*, 6 Cir., 203 F. 2d 299 (1953), and there is every indication, contrary to appellant's statement, that the prior art was not before the Patent Office at the time it passed on the patent here in issue.

The so-called objective tests relied on by appellant to support the position that invention was involved here are not persuasive or impressive if the record is examined closely. Appellant stresses evidence of a long felt want, license acceptance and commercial success of the patent, as well as prior attempts and failures to achieve solution of the bolted bonnet problem. "Copying" and acceptance of the patent by the defendant, Powell Company, and skepticism as to the worth of the valve prior to its successful use are also emphasized. There was a finding of the existence of a problem in connection with the bolted bonnet valves and that there had been other attempts and failures to solve this problem. The evidence is not clear that appellant's efforts have alone met with success in this area, nor has the bolted bonnet valve fallen into disuse as a consequence of the alleged invention. In fact, the trial court found that these valves are still offered for use as particularly well-suited for high pressure, high temperature service, and also that the welded bonnet valve used in the prior art for high temperature, high pressure service, is now being manufactured and sold to meet conditions as severe or more severe than those of valves manufactured by appellant's licensees. The evidence of commercial success and license acceptance of the patent is particularly emphasized. The record shows two licenses, each involving a number of patents of appellant, indicating possibly that as to a group of patents a manufacturer for business reasons would rather pay royalty than be involved in litigation. See *Thropp's Sons Co. v.*

Seiberling, 264 U. S. 320, 329 (1924). The skepticism to which appellant refers was directed in the main toward the worth of his valve design submitted to manufacturers for bids. Powell Company explained its license acceptance of the patent, a license which it has since voluntarily abandoned and for which it paid the minimum of $5000 royalty, as a favor to appellant who needed three manufacturers to bid on some Navy contracts and had only two. It should finally be noted that objective considerations cannot lend validity to a patent where as here invention is plainly lacking. See *Great A. & P. Tea Co. v. Supermarket Equipment Corp., supra; Goldman v. Bobins*, 7 Cir., 245 F. 2d 840, 844 (1957).

Appellant finally urges that the Bredtschneider patent (above) and the Murphy patent 1,350,666, both of which are alleged to be anticipatory of the subject matter of patent Re. 23,272, are mere paper patents, or patents which have never been used commercially and that as such they may not be used to indicate a lack of invention over the prior art. It has been held otherwise. *Holland Co. v. American Steel Foundries*, 7 Cir., 196 F. 2d 749, 752 (1952). See also *Royal Patent Corp. v. Monarch Tool & Mfg. Co.*, 6 Cir., 203 F. 2d 299, 301 (1953); *Killian & Co. v. Allied Latex Corp.*, 2 Cir., 188 F. 2d 940 (1951). In the *Killian* case, Judge Learned Hand pointed out at page 942: "The phrase, 'paper patent,' is a mere bit of rhetoric, usually employed as a makeweight by judges who wish to support the patent in suit, but are embarrassed by a reference, of an escape from which they are not too confident. It is a meaningless platitude." The fact that prior patents have not been used commercially is relevant only in so far as it tends to indicate that the step from them to the patent in suit actually involved invention.

Patent Re. 23,272 was also concluded invalid as an aggregation of old elements producing no new result. In urging that the trial court erred in so holding, appellant stresses the findings of fact which indicate that a recognized problem existed as to the bolted bonnet valve, namely that pressure and temperature forces tended to pry open the joint and permit leakage, and the further finding that appellant's valve met this problem receiving "wide public adoption" and "extensive commercial success." Appellant seeks from these findings the conclusion that the purported invention is a new combination or arrangement of old elements producing new results. See *Blaw-Knox v. I. D. Lain*, 7 Cir., 230 F. 2d 373 (1956) where this Court held valid a combination of three old elements consisting of a concrete spreader, a cut off scraper and a vibrating member arranged in a particular position to achieve a new result, that new result amounting to the eradication of the honeycombing effect in the spreading of concrete which had been a problem in the art until then.

The pressure seal joint of appellant's valve was present in the prior art and a characteristic of each of the prior art internal seals was that, as pressure within the vessel or valve increased, a tighter seal between cover and body was effected. The valve elements are not claimed to be new except for the inner member, and the trial court indicated (finding 26) that the "patent to Murphy No. 1,350,066, the patent to Bredtschneider No. 2,029,606, and the Universal Oil Products autoclave prior use and knowledge by Mavity are examples of such internal pressure seals which have abutment members, inner members, gaskets, and means for creating initial seal, generally similar to and the equivalent of the corresponding elements disclosed

in Patent Re. 23,272." The parts of this alleged invention are old and the bringing together of these old elements produces no new result. The change in the joint brought about no change of function of the valve elements or joint elements, and there is no interaction between the various valve and closure elements. See *Toledo Pressed Steel Co. v. Standard Parts, Inc.*, 307 U. S. 350, 356 (1939), where the Supreme Court held invalid, as an aggregation of two old devices producing no new result, a patent relating to open flame torches. The Court in ruling invalidity emphasized the fact that the separate elements "performed no joint function. Each served separately as it had done." Appellant here similarly brought together two old devices to accomplish his objective of providing a seal which would tighten as pressure increased. See also *Great A. & P. Tea Co. v. Supermarket Equipment Corp.*, 340 U. S. 147, 152 (1950) where the Court held invalid as an aggregation a patent on a merchandise counter stating that combination patents should be carefully scrutinized "with a care proportioned to the difficulty and the improbability of finding invention in an assembly of old elements," concluding that, "[t]he function of a patent is to add to the sum of useful knowledge. Patents cannot be sustained when, on the contrary, their effect is to subtract from former resources freely available to skilled artisans."

The alleged invention is at best an improvement of one part of an old combination. Valves with all the valve parts claimed by Hobbs and with various types of joints, including pressure seals, were old to the art. The substitution of a specific pressure seal does not warrant the patent. See *Lincoln Engineering Co. v. Stewart-Warner Corp.*, 303 U. S. 545, 549-550, where the Court states: "[T]he improvement of one part of an old combination gives no right to claim that improvement in combination

with other old parts which perform no new function in combination." See also the decisions of this Court in *Aetna Ball & Roller Bearing Co. v. Standard Unit Parts Corp.*, 7 Cir., 198 F. 2d 222, 227 (1952); *Hydraulic Press Mfg. Co. v. Williams, White & Co.*, 7 Cir., 165 F. 2d 489, 494 (1947).

The trial court admittedly employed an erroneous statutory test in concluding that the specification of patent 23,272 "does not set forth the best mode of carrying out the alleged invention." The section in question requires only "the best mode *contemplated by the inventor* of carrying out the invention." 35 U. S. C. A. Section 112 (Emphasis supplied.) It is unnecessary to consider this point further in view of our holding that the patent is invalid on other grounds.

The other patent in suit, patent Re. 23,137, was correctly concluded invalid for anticipation and want of invention. The court in finding 47 stated the following: "Pressure seal joints in which a wedge-shaped sealing ring was employed to seal between a conical member and a cylindrical surface and in which there was a differential angle between the sealing ring and one of the surfaces, were known to the art long prior to August 15, 1943. An example of such a joint was shown in the proceedings of the American Academy of Arts and Sciences, 1911, in an article published by Dr. P. W. Bridgman. This same disclosure was republished in 1931 in 'The Physics of High Pressure' by Dr. P. W. Bridgman and again in 1934 in 'The Design and Construction of High Pressure Chemical Plant' by Harold Tongue. The art also had knowledge of other structures employing similar line contact between the sealing ring and the members being sealed, an example being the Bredtschneider Patent No. 2,029,606."

The evidence shows that the prior art understood the basic concept of the pressure seal joint. Appellant chooses to criticize the anticipatory use by Bridgman because of the specific gasket material Bridgman used and because of the difference in differential angle. Patent Re. 23,137 does not, however, provide for a specific type of gasket metal, only "one softer than the pipe." As to the angle of differential, appellant seems to take the position that patentability is achieved by his use of a smaller differential angle of approximately two degrees which "operates in a new way and achieves the new result eradicating the defects previously encountered." As a general rule, it is not invention to change the size or degree of a thing or of any feature or function of a machine or manufacture. See Walker, *Patents*, Deller's Edition 189 and cases cited and discussed in that text. A classic exception is the case of *Eibel Process Co. v. Minnesota & Ontario Paper Co.* 261 U. S. 45, 67 (1923) where patentee discovered that an increase in degree of pitch of the Fourdrinier wire of a paper making machine brought about a marked increase in production. The Supreme Court found the change to be directed to a new principle, "a wholly different object," from that of the prior art.

This Court has held that a change of degree is not patentable, *Simmons Co. v. Superior Felt & Bedding Co.*, 7 Cir., 107 F. 2d 536 (1939), but see *Peerless Equip. Co. v. W. H. Miner, Inc.*, 7 Cir., 93 F. 2d 98, 103 (1938), cert. den. 303 U. S. 641, where the court points out: "It is * * * true that the mere carrying forward of the original thought with a change only in form, proportion or degree, in doing the same thing the same way by substantially the same means, but with better results, is not such invention as will sustain a patent. But where different concepts, purposes and objects are involved, as we understand the

law, this rule is not always to be arbitrarily applied, and when different means are employed, followed by success where failure theretofore existed, there is no basis for the application of the rule."

Appellant contends that in the prior art, as indicated by Bridgeman's use of a larger differential angle, although it is conceded that no specific angle was denoted by Bridgman, there would be a "pinching off" effect or detrimental extrusion of metal of the gasket ring. It is urged that this does not occur in appellant's pressure seal joint because, as appellant's expert, Robert Sessions, testified "[T]he angle is so small that the area of contact between the sealing ring, the conical surface of the sealing ring, and the beveled or tapered surface of the inner member of the valve or joint, becomes progressively wider quite rapidly, as increasing pressure is applied so that wide area resists further deformation." We hold that this change does not amount to patentable invention. No "different concepts, purposes or objects are involved." It amounts to doing the same thing substantially the same way with better results.

The District Court also concluded that the claims in suit under patent 23,137 were invalid because "devices which they claimed to cover were in public use and sold in this country more than one year" prior to the application for the patent of which Re. 23,137 is the reissue. 35 U. S. C. Section 102(b). This conclusion is based solely on findings that the 1938 valves made by Powell Company and sold to Diamond Alkali had pressure seals responding fully to the claims of patent Re. 23,137, and that in August of 1938, the General Electric Company had sold and delivered to Diamond Alkali a throttle valve employing a pressure seal responding fully to the claims of the patent. These pressure seals were admittedly used in that plant for

a period of six years prior to the application for the patent upon which Re. 23,137 was made.

Appellant contends that this use of the joints was for experimental purpose prior to application for patent. A use for experimental purposes is not a public use "if it is conducted in good faith for the purpose of testing the qualities of the invention and for no other purpose not naturally incident to that." Walker, *Patents*, Deller's Edition 347. See also *Cline Electric Mfg. Co. v. Kohler*, 7 Cir., 27 F. 2d 638, 641 (1928).

The testimony of Hobbs alone supports his contention that the use of the invention was, by oral agreement with Diamond Alkali, an experimental use. He testified that Diamond Alkali spent over a million dollars to develop a plant so that he could experiment with the valves and joint seals in question and that it was their arrangement that all profits (over two million a year, he said) went to the company of which he was a stockholder. This arrangement was purportedly made with the then vice president of Diamond Alkali who is now dead.

It is not clear that the trial court rejected this testimony in arriving at its conclusion of law that the use by Diamond Alkali was a "public use." The court made no findings of fact to support its conclusions. Not every sale of an invention nor every use is such a public use or sale as indicates an intent to abandon that invention. There is no indication that the trial court even considered this. Appellant relies on *Elizabeth v. Pavement Co.*, 97 U. S. 726 (1877) which involved an invention for highway pavement. The pavement was installed in a toll road and used publicly for a period of six years. The Supreme Court held this an experimental use emphasizing the fact that the circumstances of each case must be considered to determine if the inventor actually intended to

abandon. Emphasized by the Court were circumstances indicating that Nicholson actually retained control of the invention, that he built the road at his own expense, that he was a stockholder and treasurer of the corporation which collected the tolls, and that his day by day conduct indicated that he intended to apply for a patent when he was satisfied that no further improvements were necessary. Because the trial court in the instant case failed to make the requisite findings, its conclusion of law cannot be sustained. This patent was found invalid for lack of invention, however, and it will not be necessary to remand the case for further findings on the question of public use.

In light of our affirmance of the district court's finding of invalidity, a question arises as to the necessity of passing on the defense of non-infringement. The practice of this Court has been to give full consideration to both questions. It is appellant's position that the trial court erred as a matter of law in accepting merely immaterial distinctions in name and form alone to conclude that patent Re. 23,272 was not infringed. Infringement is present where there is identity of operation and results and substantial identity of structure. Distinction in name and form alone is legally immaterial. *Hunt v. Armour & Co.*, 7 Cir., 185 F. 2d 722, 728 (1950) where this Court said: "[T]he test of infringement is whether the accused device does the same work in substantially the same way and accomplishes the same result."

The Supreme Court has pointed out in *Graver Tank & Mfg. Co., Inc. v. Linde Air Products*, 339 U. S. 605, 609-610 (1950) that equivalency must be determined against the context of the patent, the prior art and the particular circumstances of the case. It is a determination of fact in which the trial court's decision "should not be disturbed unless clearly erroneous." We do not find such to be

the case here. The accused valves function as valves and are thus similar to those of appellant. This is not the test. The test is whether the details of the accused valves are identical or *equivalent* to the details specified in the claims of the patent. Claim 4 is typical of the claims and calls for: "A valve for high pressure fluid comprising a metal body having a valve-receiving opening, outer and inner telescoped annular members in said opening having axially opposed surfaces, annular packing between said opposed surfaces and engaging the wall of said opening, said outer and inner members and packing being non-rotable relative to each other, a valve carrying stem extending axially thru said inner member, packing around said stem in said inner member, and means carried by said outer member for actuating said valve stem."

The accused forms 3, 4 and 5 do not embody this structure. In those devices there is a segmental thrust ring of four parts which is placed in the body after the inner member and valve stem, and the four parts are each placed in the body separately and constitute an abutment. The yoke arm is independently mounted on the body. It does not touch and forms no part of the abutment against which the gasket presses to seal between the inner member and the body. In addition, none of the accused's structures have an inner and outer member with a sliding fit. This is important in patentee's structure where there was indicated some kind of guiding function performed by the inner member. Also, the accused valves 1 and 2 do not have any structural needs to prevent relative rotation of the inner and outer members and packing. The court's findings 43 through 45 indicate various other elements of the claims not found in the accused valves.

As to patent Re. 23,137, the court found that the accused valves sealed between a conical surface on the bon-

net and a conical surface on the body. The accused valves do not seal nor do they have the means to seal between the bonnet and a cylindrical surface on the body as specified in the claims in suit. Appellant's position is that his claim is as to a seal between a conical surface and a "substantially" cylindrical surface. He maintains that "substantially cylindrical" is the equivalent of conical, and the departure from a mathematical cylinder does not prevent the realization of the new operation of the patent. Infringement, appellant, urges, exists as a matter of law under the doctrine of equivalents. This is true, he states, even if the conical portion of the wall is an improvement, citing *Tempco Electric Motor Co. v. Apco Mfg. Co.*, 275 U. S. 319 (1927) where the Supreme Court stated at page 328: "the improver without a license is an infringer and may be sued as such." We do not accept appellant's contention. The joints of the accused valve do not have the same structure nor do they obtain the same result. The Patent Office rejected the broad claims by appellant of seals between conical surfaces. The claim was limited to a seal between a conical surface on the member and a cylindrical surface on the body. The Patent Office later permitted an amendment allowing for a claim of seal between conical and substantially cylindrical surfaces but this does not, as appellant contends, broaden his claim to take in the original rejected claims. Appellant is estopped to claim infringement as to seals between conical surfaces. *Lewis v. Avco Mfg. Corp.*, 7 Cir., 228 F. 2d 919 924 (1956). The District Court correctly held there was no infringement.

The judgment is

AFFIRMED.

JUDGMENT OF THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT.

(Entered December 6, 1957.)

This cause came on to be heard on the transcript of the record from the United States District Court for the Western District of Wisconsin, and was argued by counsel.

On consideration whereof, it is ordered and adjudged by this Court that the judgment of the said District Court in this cause appealed from be, and the same is hereby, AFFIRMED, with costs.

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In the Supreme Court of the United States

OCTOBER TERM, 1957.

No. 836.

JAMES C. HOBBS, a citizen of the United States and a resident of Florida,

Petitioner,

vs.

WISCONSIN POWER & LIGHT COMPANY, a Wisconsin Corporation,

and WILLIAM POWELL COMPANY, an Ohio Corporation,

Respondents.

REPLY BRIEF OF PETITIONER.

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TABLE OF CONTENTS.

(1) The Conflict With the Court of Appeals for the Second Circuit ---- 1

(2) The Conflict With the Court of Appeals for the Fourth Circuit ---- 5

(3) Respondents' Errors ---- 6

Originality ---- 9

Objective Evidences of Invention ---- 10

Aggregation and Old Combination ---- 12

Patent Re. 23,137 ---- 13

Infringement ---- 13

Conclusion ---- 14

TABLE OF AUTHORITIES.

Cases.

Agawam Company v. Jordan, 7 Wall. 515 ---- 7, 9

Atlantic Works v. Brady, 107 U. S. 132 ---- 1, 14

Detroit v. Burke, 4 Fed. (2) 118 ---- 5

Goodyear v. Ray-O-Vac, 321 U. S. 275 ---- 12

Graver Mfg. Co. v. Linde, 339 U. S. 605 ---- 13

I. T. S. Co. v. Essex Co., 272 U. S. 429 ---- 13

Lyon v. Bausch & Lomb, 224 F. 2d 530 ---- 1

McKee v. Graton & Knight, 87 F. 2d 262 ---- 12

National v. Richardson, 63 F. 2nd 289 ---- 11-12

Thropp's Sons Co. v. Sieberling, 264 U. S. 320 ---- 11

Statutes.

35 U. S. C. 102(b) 3

35 U. S. C. 102(f) 10

35 U. S. C. 103 ..... 3, 4, 10, 14

35 U. S. C. 282 9

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REPLY BRIEF OF PETITIONER.

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(1) THE CONFLICT WITH THE COURT OF APPEALS FOR THE SECOND CIRCUIT.

The express conflict between the Court below and the Court of Appeals of the Second Circuit as to the effect of the new Patent Act on the standard of invention (Pet. pp. 10-15) is neither answered nor avoided by respondents' erroneous arguments based on the advertisement Ex. 40.

The Court below said (Pet. p. 29) that the Statute does not change the standard of invention; the Court of Appeals for the Second Circuit has held that it does (*Lyon v. Bausch & Lomb*, 224 F. 2d 530, 534, 535).

The basic issue between the parties here is sharply outlined by Respondents' quotation from *Atlantic Works vs. Brady*, 107 U. S. 192, 200 (Res. Br. pp. 10-11).

This Court there held that the design of the patent laws is to reward those who make substantial inventions and advances in the useful arts, and that "such inventors are worthy of all favor."

Trivial devices or changes, not to be protected, were defined as those "which would naturally and spontaneously occur to any skilled mechanic or operator in the ordinary progress of manufacture."

This is the test of the new statute, the test which the Court of Appeals for the Second Circuit has held the Statute has restored; the test which the Court below rejected (Pet. pp. 11-13).

Here the District Court found the prior valves leaked from three different causes; that the petitioner's valve invention *eliminated* the leakage; that there had been a need to solve the leakage problem, recognized for 26 years; efforts and failures to solve it; and widespread public adoption and use and extensive commercial success of petitioner's solution to the problem (3 A. pp. 1410-1413; Findings 11-23).

These fact findings, based on uncontradicted evidence establish (1) that petitioner made a *substantial* invention or discovery which has added to our knowledge and made an important step in advance in the useful art of steam power generation. The magnitude of this step in advance is demonstrated by the facts that the success and public adoption, found by the District Court, have amounted to sales of $15,000,000 worth of the patented valves (1 A. p. 188), that in this field the patented valves have almost completely supplanted all other valves (1 A. p. 337; 2 A. p. 754; 3 A. p. 962), and that they made possible a 50% increase in power from a given amount of fuel (3 A. p. 994).

These findings also establish (2) that petitioner's invention was not one that would "naturally and spontaneously" occur to any skilled mechanic or operator, since for more than 26 years the skilled mechanics and operators endured the leakage of extremely dangerous steam from the prior art valves, tried to overcome this leakage and failed to do so. Thus it is unnecessary to speculate; it is established that for 26 years petitioner's invention did not "naturally and spontaneously," or in any other way, occur to the skilled mechanics and operators. Where there was a recognized need for a solution to a problem (3 A. p. 1411, Finding 18); where the safety of the skilled mechanics and operators was constantly threatened by the "extremely dangerous" steam leaking from the prior art valves (3 A. p. 1410, Findings 11-14); the failure of all those skilled mechanics and operators to adopt and use the petitioner's invention proves beyond a shadow of a doubt that it was not something which would "naturally and spontaneously occur to any skilled mechanic or operator." No mechanic or operator would wait 26 years to make an obvious change which would remove a constant threat to his safety, no mechanic or operator would wait 26 years to make an obvious change which would increase the salable output of a plant by 50%.

While finding these facts which establish that petitioner's inventions did not "naturally and spontaneously" occur to the workers in the art and were not "obvious" at the time the inventions were made, the District Court, through a confusion between different statutory provisions (35 U. S. C. 102(b) and 103), based a conclusion of non-invention on Finding 33 (3 A. p. 1416) that the claimed subject-matter was known to the art and would have been obvious "more than two years prior to February 23, 1940";

a time *after* petitioner had disclosed his invention to the industry for the purpose of having valves made (1 A. pp. 161, 165; 3 A. p. 1412, Finding 21). The Court of Appeals correctly set aside Findings 33 and 50, the lower Court's only fact findings of obviousness (Pet. p. 30), but nevertheless affirmed the conclusion of invalidity because of fact findings that the elements of petitioner's new combination were separately old (Pet. pp. 29, 30, 33-34).

Since all new things can be analyzed as nothing more than new combinations of old things,* the lower Court's conclusion of non-invention—in the absence of any fact finding in conformance with the Statute (35 U. S. C. 103), and merely because the new device can be analyzed into separately old parts which always appear easy to combine by hindsight—is a clear application of the "high" standard of invention which the Court of Appeals for the Second Circuit has held to have been abolished by the new Statute (Pet. pp. 11-13).

Thus, the Court below and the Court of Appeals for the Second Circuit are in clear and irreconcilable conflict on the effect of the new Statute on the standard of invention. The issue is clear and urgent: Do we want to *encourage* invention by construing the Statute as restoring the old standard of invention under which this country achieved technological leadership of the world; or do we want to *discourage* invention by applying a standard under which invalidity necessarily follows if the infringer's advocate is sufficiently astute to analyze the new invention into old parts and make their assembly by hindsight look easy and simple?

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* Even new "elements" produced by atomic reaction are merely new combinations of old particles, such as electrons, protons and neutrons.

(2) THE CONFLICT WITH THE COURT OF APPEALS FOR THE FOURTH CIRCUIT.

The express conflict between the Court below and the Court of Appeals for the Fourth Circuit is inescapable. The Court below followed the ruling that

> "the presumption of validity of a patent does not exist as against evidence of prior art not before the Patent Office * * *." (Pet. pp. 30-31.)

whereas, the Court of Appeals for the Fourth Circuit correctly ruled that the presumption of validity is not weakened by references that

> "do not involve some substantial element in the defense of anticipation which was not considered by the Patent Office." (246 F. 2d 789, 801.)

The rule in the Eighth Circuit conforms to the rule in the Fourth Circuit. Thus in *Detroit v. Burke*, 4 Fed. (2) 118, it was said at page 122:

> "It is true that these two patents are the only citations in the file wrapper; but this is far from proving that the other patents were not considered. The presumption is that the officials of the Patent Office did their duty, and considered the other patents now brought forward as new prior art."

It is not true, as respondent asserts (Res. Br. p. 9) that the Court below applied the same rule as the Fourth Circuit, but that the difference was in the facts.

Respondents say the Patent Office did not cite Ex. 40 against patent Re. 23,272. But respondent does not and cannot deny that Ex. 40, advertising licenses under the Bredtschneider patent No. 2,029,606, adds nothing to the patent itself, which was cited. (Pet. p. 17).

Respondents say:

> "The Patent Office did not know that the advantages asserted by the patentee in his patent application were disclosed in Exhibit 40 and the information he learned

from its author when he wrote inquiring as to license fees."

The Patent Office did not know this, and neither does anyone else. It is not true. Neither Ex. 40 nor the advertising letters written to petitioner and others in the art disclose anything more than the Bredtschneider patent itself. None discloses the petitioner's valve invention or its advantages or achievements. (2 A. p. 891.)

Respondents next assert that the Patent Office did not have before it the Tongue article (E. V. 71-74). This article contains pictures and an advertisement of the Bredtschneider closure, but adds nothing to the disclosure of the Bredtschneider patent itself.

Next, respondents assert that the Patent Office did not cite the Heine German patent No. 511,842 or the Cocard Italian patent No. 327,289. But it is admitted that none of these references disclose the invention of patent Re. 23,272 (2 A. p. 891) and that none of the prior art in this case is any more pertinent than the conventional bolted bonnet valve and the Bredtschneider patent No. 2,029,606 (2 A. p. 892). This was the same prior art that was cited by the Patent Office which ruled that it was not obvious to modify and combine them to produce petitioner's invention (2 A. pp. 916, 922).

Thus, there is no dispute that all respondents have done is cite other copies of the same disclosures the Examiner cited, a strategem accepted by the Court below as destroying the statutory presumption of validity.

(3) RESPONDENTS' ERRORS.

Respondents mis-represent the invention of patent Re. 23,272 to create merely verbal similarities with the prior art, pretending this avoids, in the instant case, the above conflicts between the Circuits on questions of pressing National importance.

The allegation (Res. Br. p. 2) that the novelty of patent Re. 23,272 "was in substituting a 'pressure seal' joint" is an allegation made only by respondents. There was no prior art valve in which such a substitution could be made at the valve stem receiving and guiding opening.

The "idea or principle" of the invention is to divide the unitary bonnet of the prior art, carry the valve stem and its actuating means by an outer member secured to the body, guide the valve stem by a floating inner member telescoped in the outer member, and seal the joint with a pressure seal between the inner and outer members (3 A. pp. 1411-1412, Finding 20). The "idea or principle" of the invention is the mental conception of the complete machine, including all the elements and the plan or arrangement of them so as to be capable of useful operation when constructed (*Agawam Company v. Jordan*, 7 Wall. 515, 602-604). Respondent's characterization of the invention as "a high pressure valve with a pressure seal joint" (Res. Br. p. 2) is a meaningless abstraction. It is not the patented invention: it is not an idea or principle or concept of any invention because it is not complete or operative.

The advertisement Ex. 40 (E. V. p. 21) is equally meaningless. It illustrates a closure. It does not illustrate a valve. It offers licenses under the Bredtschneider patent No. 2,029,606, the same Bredtschneider patent which was cited by the Patent Office and over which patent Re. 23,272 was allowed. The advertisement states:

> "Utilizes interior pressure to secure absolute tightness, even under varying pressure and temperature conditions in high pressure vessels, pumps, valves and pipe lines."

This says no more than that the illustrated closure could be used to close a hand-hole or the like formed in the wall of a valve body, pipe or other pressure vessel. It says no

more than the Bredtschneider patent itself as the District Court found (3 A. p. 1414, Finding 29).

Neither the patent nor the advertisement discloses any guide or support for a valve stem or any way to change the stem guiding bonnet of the prior art valves so that it would even be possible to use a pressure seal joint at a bonnet, and no disclosure that this should be done or that it would solve the long-standing leakage problem.

The device of the Bredtschneider patent and of the advertisement Ex. 40 could not even be used in the new combination of patent Re. 23,272. The petitioner's invention places a pressure seal between an outer member and an axially slidable inner member which guides the valve stem by being telescoped in the body. The Bredtschneider joint depends upon "ample clearance between the locking cover of the wall of the vessel and the holding ring." (P. B. tab. 15, col. 2, lines 27-28).

Pfeiffenberger, the American representative of the German owner of the Bredtschneider patent, actively solicited the entire country. Not a single Bredtschneider joint was made or sold as a result of his efforts (3 A. pp. 1177-1178). The letters Pfeiffenberger wrote to petitioner and others disclosed nothing more than the patent itself or the advertisement Ex. 40 and neither disclosed nor suggested petitioner's new valve to anyone in the valve industry.

Advertisements like Ex. 40, letters and drawings were submitted by Pfeiffenberger to respondent William Powell Company (3 A. pp. 1324-1328). This material was so uninforming that respondent Powell did not even answer the letters (3 A. p. 1178). Although Powell was thus fully informed of all of the claims and disclosures of Bredtschneider and Pfeiffenberger, when Powell accepted the order to build the first patented valves for petitioner's

company, the Diamond Alkali Company, it described these valves as embodying "basic ideas of the Diamond Alkali Company" (E. V. p. 272); not ideas, basic or otherwise, of either Bredtschneider or Pfeiffenberger or of Ex. 40.

Originality: In the Answer in this case the respondent Powell pleaded that it originated the invention of patent Re. 23,272 in suit and that petitioner had derived it from respondent and was therefore not a first and original inventor (1 A. pp. 25-26). The pleading referred to respondent and "others"; no others were identified as required by the Statute (35 U. S. C. 282) so that the issue was solely whether respondent Powell or petitioner had first conceived the invention and disclosed it to the other.

This pleading was false. Respondent Powell sought to support it by denying it had received, or was in possession of, Hobbs' colored drawing Ex. 52 (3 A. p. 1299) and by assertions that Powell, not Hobbs, had "conceived" the invention (3 A. pp. 1296-1297).

In later depositions, draftsmen employed by respondent Powell admitted on cross-examination they had been given a Hobbs drawing which they merely copied, on an enlarged scale, to make the first Powell drawings showing the patented invention (3 A. pp. 1070, 1095-1096, 1102). The Hobbs drawing was thereupon produced by respondent (3 A. p. 1073) and marked defendants' Ex. 236. It is trial Ex. 52 (E. V. p. 36) and was found by the trial Court to show the invention of patent Re. 23,272 (3 A. p. 1412, Finding 21).

Under the law, this admission that respondent Powell had received and copied petitioner's drawing showing the invention disposed of the pleaded issue of originality in favor of petitioner. (*Agawam v. Jordan*, 7 Wall. 583, 603.) The District Court, however, based a conclusion of lack

of originality on a finding that respondent Powell had built the first valves for petitioner after petitioner had disclosed the invention. This was an error of law. (Petition, p. 27.) To escape the onus of this error and of the proof that respondent Powell had falsely claimed to have originated the invention, respondents denied in the Court of Appeals any intention to raise such an issue, claiming the pleading merely meant the invention had originated in the prior art Bredtschneider closure. But this is the issue of "obviousness," it being admitted by respondents' expert that petitioner's invention is not identically disclosed in *anything* in the prior art, including the Bredtschneider patent and the advertisement of it, Ex. 40 (2 A. pp. 890-891). The Court of Appeals accepted this untenable excuse and discussed the question as though the Statute, 35 U. S. C. 102 (f) meant the same thing as Section 103 (Pet. pp. 27-29). Since the substance of the ruling relates only to Section 103, petitioner did not discuss the erroneous reference to Section 102 (f) in the Petition as respondent points out (Res. Br. p. 6).

Objective Evidences Of Invention: The fallacies urged by respondents and accepted by the Court below (Pet. pp. 31-32; Res. Br. pp. 7-8) do not weaken the force of the objective evidences of invention established by the proof and found by the District Court.

The undisputed success of petitioner's inventions in solving the long-standing leakage problem and almost entirely replacing all other valves in the high pressure steam plant field (3 A. p. 1412, Finding 20; 1 A. p. 337; 2 A. p. 754; 3 A. p. 962) is not diminished by the fact that in other fields users still tolerate the leakage of bolted bonnet valves or the lack of accessibility of welded valves. It is true that the bolted bonnet valve has not "fallen into

disuse" since petitioner's invention; it is equally true that the telegraph has not fallen into disuse since the invention of the telephone and radio. The continued use of the telegraph does not detract from the merit of the telephone; the continued use of both the telegraph and the telephone does not detract from the merit of radio.

It is also true that petitioner's licensees and the respondent Powell continue to offer to sell bolted bonnet valves for all purposes. In the high pressure steam plant field, however, the customers, guided by experts and engineers, purchase only the patented valves (1 A. p. 337).

It is true that welded bonnet valves are purchased for some uses. In the steam plant field, as the lower Court found, the valves "must be capable of being readily opened" (3 A. p. 1408).

The lessened weight of acquiescence in validity in *Thropp's Sons Co. v. Sieberling*, 264 U. S. 320, 329, was based on the acquiescence by those "without sufficient knowledge of the prior art, or adequate capital to resist." Petitioner's licensees are the world's two largest valve manufacturers, the Crane Company and the Walworth Company, with ample capital and complete knowledge of the prior art (3 A. pp. 1031, 1040). Bredtschneider, the patentee of patent 2,029,606 principally relied upon, is even employed as an engineer by the Crane Company (3 A. p. 1181). Thus, the lessened weight attributed to the licenses in the cited case is completely irrelevant.

It is quite true that the skepticism of the art was directed toward the worth of petitioner's valve design submitted to manufacturers for bids. Such skepticism has been held to be evidence of invention because manufacturers are skeptical of devices which depart from the accepted and obvious course (*National v. Richardson*, 63

F. 2nd 289, 292; *McKee v. Graton & Knight*, 87 F. 2d 262, 264). Despite the universal skepticism, petitioner finally prevailed on respondent Powell to make the patented valves, which was done by Powell by copying, on an enlarged scale, petitioner's disclosure drawing Ex. 52 (3 A. pp. 1070-1095, 1096, 1102).

The most ludicrous fallacy is the effort to excuse respondent Powell's recognition and acquiescence by the claim that it paid petitioner $5,000 and took a license as a favor to petitioner who needed three bidders on a Navy contract. Had respondent Powell then believed what it now urges, it would have bid on the Navy contract without taking a license. If it had paid petitioner $5,000 merely as a favor, it would not have solicited a renewal of the license and threatened to infringe if it could not obtain one (2 A. p. 909).

Aggregation and Old Combination: Both Courts below erred in the law in concluding that the combination of patent Re. 23,272 is invalid as an aggregation and as an old combination because the new arrangement does not add a new function.

As the District Court found, the combination of this patent "eliminates leakage" (3 A. p. 1412, Finding 20). All of the prior valves leaked from each of three separate causes (3 A. p. 1409-1410, Findings 11, 12 and 13). All of the desirable functions and all of the necessary features are retained, but the evils of the prior art are eliminated by a new arrangement. The forces which caused the prior valves to leak are still present; by petitioner's invention they are transmitted in such a way that they cannot pry open the joint and cause leakage. The eradication of defects of the prior art is as much a new result as the addition of a new function. (*Goodyear v. Ray-O-Vac*, 321 U. S. 275, 279.)

Patent Re. 23,137: The differential angle of one degree in the Curtiss publication referred to by respondent (Res. Br. pp. 5, 9) is not in a pressure seal joint. This disclosure was not relied on by respondents' expert or by either Court below, and is irrelevant. There is no dispute of the proof that Bridgman joint could not be re-opened and has never been used commercially (2 A. pp. 926, 929, 941). There is no dispute that the joint of patent Re. 23,137 which has been used in the $15,000,000 worth of licensed valves sold by petitioner's licensees eliminates this defect which rendered the prior device inoperative (2 A. pp. 928-929, 941).

Infringement: The Court below expressly and specifically stated a rule in direct conflict with the decision of this Court in *Graver Mfg. Co. v. Linde*, 339 U. S. 605, 607. The Court below found non-infringement because of the "details specified in the claims" (Pet. p. 40). This Court held that infringement cannot be escaped simply by not copying "every literal detail."

The ruling of non-infringement of patent Re. 23,137 on the ground that petitioner is estopped to obtain the benefit of a broadening amendment permitted by the Examiner on reconsideration is contrary to the express rulings of this Court. Estoppel arises only from both limiting the claim and accepting a patent with the limitation, or, in other words, accepting a limitation as a condition of the grant (*I. T. S. Co. v. Essex Co.*, 272 U. S. 429, 443-444). As this Court said in that case, if the Examiner is wrong the applicant can appeal and avoid the estoppel; manifestly where, as here, the Examiner is so clearly wrong as to permit removal of the limitation on reconsideration, avoiding the necessity of an appeal, there is likewise no estoppel.

CONCLUSION.

It is common knowledge and is being widely advertised by the electrical industry that while the cost of living has increased more than 100% since 1939, the cost of electrical power has remained substantially constant. A major reason is the increased efficiency made possible by petitioner's inventions which solved the valve problem and eliminated this bottleneck.

If such an advance in the art is not a "substantial discovery or invention" making the inventor "worthy of all favor" (*Atlantic Works v. Brady*, 107 U. S. 192, 200) the inevitable result will be that scientists and engineers will not spend their time and money and investors will not risk their capital in attempting to make such improvements in the future. Thus, the decline in invention and technological progress in this country which is already well underway (Pet. pp. 18-19) will continue unchecked and the purpose of the new Patent Statute (35 U. S. C. 103) will be defeated.

Only constructive leadership by this Court can stem the tide.

Allowance of the Petition is respectfully requested.

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OCTOBER TERM, 1957.

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JAMES C. HOBBS,
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WISCONSIN POWER & LIGHT COMPANY,
and
THE WM. POWELL COMPANY,
Respondents.

BRIEF FOR RESPONDENTS IN OPPOSITION TO PETITION FOR A WRIT OF CERTIORARI.

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INDEX

PAGE

STATEMENT OF THE CASE 1

ARGUMENT 6

Alleged Conflict with the Court of Appeals for the Second Circuit 6

Alleged Conflict with the Court of Appeals for the Fourth Circuit 9

The Importance of the Questions Presented 10

Other Rulings by the Court Below 11

CONCLUSION 13

Table of Cases.

Lyon v. Bausch & Lomb, 224 F. 2d 530 ..... 6, 7

Otto v. Koppers Company, 246 F. 2d 789 ..... 9, 10

Atlantic Works v. Brady, 107 U. S. 192 10

Graver Manufacturing Co. v. Linde Co., 339 U. S. 605 ..12, 13

Statute.

35 U.S.C. 103 7

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BRIEF FOR RESPONDENTS IN OPPOSITION TO PETITION FOR A WRIT OF CERTIORARI.

RESPONDENTS' STATEMENT OF THE CASE.

This is an ordinary patent infringement action brought by Petitioner. The complaint charged infringement of two patents by valves manufactured by The Wm. Powell Company and sold to and used by Wisconsin Power & Light Company. The District Court saw and heard testimony of expert witnesses for each of the parties, saw demonstrations, and after an extended hearing found (3 App. 1407-1423) that neither patent was valid and that neither was infringed. The Court of Appeals for the Seventh Circuit gave extensive and thorough consideration to the

issues and agreed with the trial court that neither patent was valid and neither was infringed (Petition, pp. 23-42).

The Statement of the Case in the Petition (pp. 4-10) does not adequately make reference to the controlling facts upon which both the trial court and the Court of Appeals relied. We make brief reference to some of them.

Patent Re. 23,272 is entitled "Valve Construction" (3 App. 1425). It discloses and claims valves having conventional valve parts with a "pressure seal" joint at the "bonnet". The "bonnet" or cover closes the opening in the valve body through which the internal parts are inserted. Commonly used joints securing the bonnet to the body employed flanges which could be bolted together, or a threaded screw joint, or a union joint, or a simple weld (Fishleigh Charts Nos. 2 and 3, Ex. 43, 2 App. 930, 931). The alleged novelty was in substituting a "pressure seal" joint, *i.e.*, one in which the internal pressure is utilized in sealing, and as the pressure increases the tightness of sealing increases.

Both the trial court and the Court of Appeals held the claims in issue (1 to 10, 12 to 15, 17, 19, 20, 22 and 23) to be invalid because the Petitioner was not the original and first inventor, because the patent claimed a mere aggregation of old elements which amounted at most to an exhausted combination, and because of anticipation and want of invention.

The proofs show that the idea or principle of the alleged invention of patent Re. 23,272, *i.e.*, a high pressure valve with a pressure seal joint, was disclosed to Petitioner at least as early as March, 1937. The March, 1937 issue of Chemical & Metallurgical Engineering contained an advertisement soliciting licensees for the Bredtschneider patent No. 2,029,606, a patent on a self-sealing high pres-

sure joint (Ex. 40, Ex. Vol. p. 21; 2 App. 201). The advertisement stated that the joint utilized "interior pressure to secure absolute tightness, even under varying pressure and temperature conditions, in high pressure vessels, pumps, valves and pipe lines". The advertisement mentioned that the joint had been proven in practice in numerous installations. On March 22, 1937, Petitioner wrote the advertiser, asking for the basis upon which a license could be obtained (Ex. 220, Ex. Vol. p. 183; 2 App. 802). The response to Petitioner, dated March 26, 1937 (Ex. 221, Ex. Vol. p. 184; 2 App. 802) quoted the royalty rates, explained the principle of the self-sealing joint, mentioned that it had been installed on many different items of equipment, including "High Pressure Valves and Couplings", and enclosed a sales circular, (Ex. 222, Ex. Vol. p. 186; 2 App. 802), which further explained the joint. Petitioner wrote just three days later inquiring as to whether there was an installation of such a joint "in this country" (Ex. 223, Ex. Vol. p. 187; 2 App. 802). Petitioner was advised that there was no installation in the United States since the device had only recently been introduced to this market (Ex. 224, Ex. Vol. p. 188; 2 App. 802).*

Later, Petitioner had a sketch prepared showing the pressure seal substituted at the bonnet joint of a valve (Ex. 52, Ex. Vol. p. 36; 1 App. 326). He showed this sketch to various valve manufacturers and ultimately Respondent Powell made valves for Petitioner's employer in which pressure seals were employed. Petitioner neither

* The author, who had been recently employed as United States representative of the German owner of the patent, apparently was not aware of the earlier shipment of an autoclave embodying the pressure seal joint from Germany to the United States (Ex. 174, 192, 235A, 235B, 236A, 236B, 237A, Ex. Vol. p. 154A, 195-196; 3 App. 1119-1151, 1203-1229).

had the original concept nor made the first valve. He merely followed the instructions of the advertisement he had seen, and other information he had learned from the author of the advertisement and made a sketch. Even his sketch was poor in design, unintelligble, and inoperative to secure the desired results (3 App. 956).

The evidence upon which the trial court and the Court of Appeals each found there was no invention in patent Re. 23,272 included proof that valves in common use employed various types of joints between the body and the member closing the opening in the body through which the internal parts of the valve were inserted. Such different types of joints included flanged bonnet joints, welded bonnet joints, screw bonnet joints, and union bonnet joints (2 App. 930, 931). Even pressure seal joints were known (2 App. 785-798, 817-838). Representations of the prior art pressure seals are reproduced on Fishleigh Chart No. 1 (Book of Charts). The art also knew of valves containing pressure seal closures between the bonnet and body, as seen from the figures of the Forbes patent No. 1,631,586 and the Heine et al. German patent No. 511,843, reproduced on Fishleigh Chart No. 1 (Book of Charts), and the Cocard Italian patent No. 372,289, reproduced on Fishleigh Chart No. 2 (Book of Charts; Finding 10, 3 App. 1409).

On all of the evidence, including testimony of expert witnesses in open court, both the trial court and the Court of Appeals found that invention would not be required to substitute a different type of pressure seal joint for any of the already known joints in valves. On the same and additional evidence, both courts found that Petitioner had not changed the functioning of the old valve parts and had not changed the functioning of the old pressure seal parts. He had merely aggregated the joint

elements and the valve elements. Further, the courts held that at most Petitioner had reclaimed an old valve combination with an improved joint.

Patent Re. 23,137 (3 App. 1434) is entitled "Pipe Coupling". It relates to a pressure seal joint in which a wedge shaped gasket is employed between an inner cylindrical surface on a body and a conical surface on an inner member being sealed to the body. The gasket is formed with a smaller angle between its faces than the angle between the cylindrical and conical surfaces being sealed, thus providing a line contact for initial sealing. Both the District Court (3 App. 1419-1420) and the Court of Appeals (Petition, p. 35-38, 41) held that the claims in issue (1, 5, 6 and 7) of this patent were invalid for anticipation and lack of invention and were not infringed. These findings were based upon evidence showing that the identical joint with a differential angle between the gasket and the conical face was old in a plurality of publications

The Bridgman disclosures (Ex. Vol. 71; 2 App. 614-615) showed a differential angle of about 10 degrees. The Curtis prior publication "Fixed Nitrogen" showed a differential angle for his purpose of 1 degree (Ex. Vol. 78-79, 82; 2 App. 614-615). On this and additional evidence, including testimony of expert witnesses in open court, both the trial court and the Court of Appeals found that invention would not be required and that it would be obvious for one to try "a small angle" (as in Claims 5, 6 and 7 of patent Re. 23,137) or "an angle of approximately 2 degrees" (as in Claim 1 of patent Re. 23,137).

The trial court and the Court of Appeals each found that neither of the patents was infringed because in each instance the accused valves failed to embody the elements of the claims or equivalents thereof.

ARGUMENT.

The Petition is answered by the opinion of the Court of Appeals (Petition, pp. 23-41). That opinion shows that Petitioner's patents were held invalid and not infringed pursuant to well established, unambiguous principles of patent law. No novel problems of law or application thereof arose. The result turned on the facts, and these facts two courts have held adverse to Petitioner.

The Petition urges that the writ of certiorari should be granted on the basis of alleged conflicts with decisions of other Courts of Appeals and this Court. There is no conflict of decision with respect to the patents here involved. The Petition urges at most, that both the trial court and the Court of Appeals in instances applied principles of patent law to the facts of this case in a way that differs from the application of those principles by other courts to other facts. However, the decisions of the trial court and the Court of Appeals show that those courts had in mind all relevant considerations. One holding of the District Court and the Court of Appeals as to invalidity of the principal patent in suit, Re. 23,272, has not been questioned by the Petition. That is that Petitioner was not the original and first inventor of the subject matter disclosed and claimed (3 App. 1414-1417, 1421; Petition, pp. 27-28).

Alleged Conflict with the Court of Appeals for the Second Circuit.

(Petition, pp. 10 to 15)

The first conflict alleged by Petitioner is said to be with the decision of the Court of Appeals for the Second Circuit in *Lyon* v. *Bausch & Lomb*, 224 F. 2d 530, 535. There

is no conflict as to the applicable law. In *Lyon* v. *Bausch & Lomb*, the Court recognized that on the issue of invention the test is that stated by statute (35 U.S.C. 103) as to whether such modification of the prior art as the patentee might have accomplished would have been obvious to one having ordinary skill in the art. On the facts there presented, the Court found as a fact that the invention there involved would not have been obvious. In the present case, the courts likewise applied the same test of obviousness. However, they found as a fact that the changes, if any, made by Petitioner would have been obvious.

The Petition (pp. 11-15) suggests the question of whether the Patent Codification Act in Section 103 of Title 35 U.S.C. changed the standard of invention. Whatever standard of invention or obviousness be applied, the answer on this record will be the same. The evidence, including the testimony of expert witnesses, some of which is referred to above, fully supports the concurring findings of the Trial Court and the Court of Appeals.

The alleged conflict as constructed by Petitioner is based upon a factual dispute which was determined by both courts adversely to Petitioner's contentions. The Petition (pp. 5-9) urges a plurality of factual *indicia* as to non-obviousness and asserts that the Court of Appeals held that such "objective evidence" must be ignored (Petition, p. 11). The Court of Appeals (Petition, pp. 31-32) considered the facts and held that the "so-called objective tests" are "not persuasive or impressive in the record if examined closely" (Petition, p. 31). The Court of Appeals analyzed the evidence, and stated (Petition, pp. 31-32):

> "The evidence is not clear that appellant's efforts have alone met with success in this area, nor has the bolted bonnet valve fallen into disuse as a consequence of the alleged invention. In fact, the trial

court found that these valves are still offered for use as particularly well-suited for high pressure, high temperature service, and also that the welded bonnet valve used in the prior art for high temperature, high pressure service, is now being manufactured and sold to meet conditions as severe or more severe than those of valves manufactured by appellant's licensees. The evidence of commercial success and license acceptance of the patent is particularly emphasized. The record shows two licenses, each involving a number of patents of appellant, indicating possibly that as to a group of patents a manufacturer for business reasons would rather pay royalty than be involved in litigation. See *Thropp's Sons Co.* v. *Seiberling*, 264 U. S. 320, 329 (1924). The skepticism to which appellant refers was directed in the main toward the worth of his valve design submitted to manufacturers for bids. Powell Company explained its license acceptance of the patent, a license which it has since voluntarily abandoned and for which it paid the minimum of $5000 royalty, as a favor to appellant who needed three manufacturers to bid on some Navy contracts and had only two. It should finally be noted that objective considerations cannot lend validity to a patent where as here invention is plainly lacking. See *Great A. & P. Tea Co.* v. *Supermarket Equipment Corp.*, *supra*; *Goldman* v. *Bobins*, 7 Cir., 245 F. 2d 840, 844 (1957)."

The Trial Court and the Court of Appeals concurred in finding that Petitioner had contributed nothing new and done nothing that was not obvious. These concurrent findings were not "clearly erroneous". As to patent Re. 23,272, what someone else has used and advertised is obvious to those of ordinary skill in the art. One reading the advertisement and following its suggestions has not done the unobvious. One who reads the advertisement and asks someone else to do what it says has done even less.

As to patent Re. 23,137, when the prior art shows the securing of a tight pressure seal by differential angles of 1 degree and 10 degrees, it is obvious to one skilled in the art to try "a small angle" (Claims 5, 6 and 7) or "an angle of approximately 2 degrees" (Claim 1). Concurring findings of the Trial Court and Court of Appeals to this effect present no problem for consideration by this Court.

Alleged Conflict with the Court of Appeals for the Fourth Circuit.

(Petition, pp. 15 to 17)

The Petition (pp. 15-17) seeks to find a conflict between the decision herein and that of the Court of Appeals for the Fourth Circuit in *Otto* v. *Koppers Company*, 246 F. 2d 789, 800, 801. This conflict is said to be a legal one as to the effect of pertinent prior art which was not considered by the Patent Office. The Fourth Circuit decision stated that if the additional references (not of record in the Patent Office) do not involve some substantial element which was not considered by the Patent Office, then the failure of the Patent Office to cite them does not weaken the presumption of validity. The decision of the Court of Appeals in this case does not announce a different rule. It merely deals with different facts. The Patent Office did not cite Exhibit 40 (Ex. Vol. 21; 1 App. 201), which recited that the Bredtschneider pressure seal joint had been proven in valves. The Patent Office did not know that the advantages asserted by the patentee in his patent application were disclosed in Exhibit 40 and the information he learned from its author when he wrote inquiring as to license fees (Ex. 220-223, Ex. Vol. pp. 183-187; 2 App. 802). The Patent Office did not have before it the Tongue article (Ex. 113, Ex. Vol. 71-74; 2 App. 614) or the prior art valves with pressure

seal joints, Heine German Patent No. 511,843, and Cocard Italian patent No. 327,289 (See Patent Book, Tabs 21, 22, 24 and 25). In allowing patent Re. 23,137, the Patent Office did not have before it the Bridgman articles (Ex. 116 and 117, Ex. Vol. pp. 85-108; 2 App. 614-615), the Bredtschneider patent, or the Tongue article (Ex. 113, Ex. Vol. 71-74; 2 App. 614). None of this prior art and knowledge considered pertinent by both the District Court and the Court of Appeals was before the Patent Office.

The Court of Appeals in this case applied the same law applied by the Court of Appeals for the Fourth Circuit in *Otto* v. *Koppers Company*, 246 F. 2d 789, but to different facts.

The Importance of the Questions Presented.

(Petition, pp. 18-19)

In an effort to balloon the factual disputes between the parties, on which two courts have held adversely to Petitioner's contentions, into public problems of "pressing importance", the Petition would analyze the operations of the Patent Office since 1880. The Petition (pp. 18-19), referring to charts at the start of the Appendix, laments what it terms a "decline in invention and scientific progress" as "the inevitable result of hostility to patents". Granting the writ of certiorari in this case is by inference proposed as a remedy. Not so. As this Court stated in *Atlantic Works* v. *Brady*, 107 U.S. 192, 200:

> "The design of the patent laws is to reward those who made some substantial discovery or invention which adds to our knowledge and makes a step in advance in the useful arts. Such inventors are worthy of all favor. It was never the object of those laws to grant a monopoly for every trifling device, every shadow of a shade of an idea which would naturally and spontaneously occur to any skilled

> mechanic or operator in the ordinary progress of manufactures. Such an indiscriminate creation of exclusive privileges tends rather to obstruct than to stimulate invention. It creates a class of speculative schemers who make it their business to watch the advancing wave of improvement, and gather its foam in the form of patented monopolies, which enable them to lay a heavy tax upon the industry of the country without contributing anything to the real advancement of the arts. It embarrasses the honest pursuit of business with fears and apprehension of concealed liens and unknown liabilities to lawsuits and vexatious accountings for profits made in good faith."

The Petitioner in the two patents in suit disclosed no substantial discovery or invention. He added no knowledge and contributed no new step. On the contrary, as the proofs show, he learned of an improved pressure seal joint invented by another, learned that it had been successfully used in valves by others, took steps to have his employer order such valves designed, engineered and manufactured by Respondent Powell — and then filed patent applications in his own name.

Other Rulings by the Court Below.

(Petition, pp. 19-21)

The Petition urges (pp. 19-20) that new results were achieved by the structure of patent Re. 23,272 and therefore that the decisions of this Court relied on by the Court of Appeals in finding "aggregation" and "old combination" are not applicable. Again, Petitioner differs with the Court of Appeals, not as to what the law is, but as to what the facts are. Both the District Court and the Court of Appeals found that the old valve elements operate as they had always done and that the old ele-

ments of the pressure seal joint operate as they had always done. As the Court of Appeals expressed it (Petition, p. 34):

> "The parts of this alleged invention are old and the bringing together of these old elements produces no new result. The change in the joint brought about no change of function of the valve elements or joint elements, and there is no interaction between the various valve and closure elements."

Further, the Court of Appeals stated (Petition, pp. 34 and 35):

> "The alleged invention is at best an improvement of one part of an old combination. Valves with all the valve parts claimed by Hobbs and with various types of joints, including pressure seals, were old to the art. The substitution of a specific pressure seal does not warrant the patent. See *Lincoln Engineering Co.* v. *Stewart-Warner Corp.*, 303 U.S. 545, 549-550, where the Court states: 'The improvement of one part of an old combination gives no right to claim that improvement in combination with other old parts which perform no new function in combination.'"

The Petition implies (pp. 20-21) that the Court of Appeals ignored the pronouncement of this Court in *Graver Manufacturing Co.* v. *Linde Co.*, 339 U.S. 605, 607. To the contrary, the Court of Appeals carefully considered the law as announced in that decision (Petition, pp. 39-40) pointing out that "equivalency must be determined against the context of the patent, the prior art, and the particular circumstances of the case". The Court of Appeals analyzed the claims of patent Re. 23,272 pointing out where the structure of the accused valves differed in construction from the structure of the claims in suit and approved the findings of the District Court

to the same effect (3 App. 1418-1419). As to patent Re. 23,137, the District Court and the Court of Appeals found that the accused valve sealed between two conical surfaces, as opposed to the structure of the claims wherein sealing was accomplished between a conical surface and a cylindrical surface. In the Patent Office Petitioner abandoned any claim to structures, like Respondents', in which the the seal is effected between two conical surfaces (3 App. 1420-1421; Petition pp. 40-41).

The Court of Appeals also followed this Court's pronouncement in the *Graver Tank* case that infringement is a fact issue wherein the trial court's decision should not be disturbed unless clearly erroneous. (See Federal Rules of Civil Procedure, Rule 52(a)).

CONCLUSION.

For the reasons stated, the petition should be denied.

Respectfully submitted,

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